

- ① ~~Morahan re Walter commission~~
- ② ~~Walter re Morahan, FISE, ...~~
- ③ Ken re USDA reg.
- ④ ~~...~~
- ⑤ ~~VIA ...~~

- ① Get copies of recent welfare speeches
- ② My welfare map

- ① FS
- ② Morris

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2. Children
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Rahm - FS/Wisc.

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DAILY POINTS

PRESIDENT CLINTON ANNOUNCES ACTION ON WELFARE REFORM

July 31, 1995



Today, President Clinton announces bold new measures to help states move from welfare to work, pressing Congress to act now on bipartisan reform. While Congress tries to free welfare reform from the web of presidential politics, the President is taking new measures to focus on the centerpiece of real welfare reform: work. His plan will:

- ⇒ Cut red tape in the waiver process;
- ⇒ Impose tough new sanctions for failure to work;
- ⇒ Put states on a faster track to ending welfare as we know it.

Cut Red Tape in Waiver Process. States are in the lead of welfare reform, and the President wants to make it easier for them to move people from welfare to work. He is simplifying the process for welfare reform waivers and dramatically cutting the approval time from 120 days to 30 days for state reforms following one or more of the strategies below:

- Create new work requirements, backed up with adequate child care.
- Impose time limits, followed by work, with jobs for those willing to work.
- Require mothers who are minors to live at home and stay in school.
- Make parents pay child support or go to work.
- Use AFDC and Food Stamp benefits as cash subsidies for private employers to hire welfare recipients.

Tough New Sanctions for Failure to Work. Under today's when welfare (AFDC) recipients fail to play by the rules and work, they lose some of their cash benefits. However, their food stamp benefits increase to offset some of this reduction.

President Clinton is changing federal regulations so that states can impose tougher sanctions on recipients who refuse to work. The Department of Agriculture has created new regulations to ensure AFDC and Food Stamps work together, not at cross purposes. We are changing the rules to reward those who are moving toward self-sufficiency and to send a strong message to those who don't.

A Down Payment on Reform. Today, President Clinton also will announce that the Administration has reached agreement on welfare waivers for four more states: West Virginia, Utah, Texas, and California. That means the President has now freed up 32 states-- from West Virginia to Vermont-- to move ahead on welfare reforms-- to promote work and responsibility without being stifled by one-size-fits-all federal benefits.

BOSTON GLOBE
8/2/95

Divided governors end session

Split by politics, group fails to set Medicaid, welfare policies

ASSOCIATED PRESS

BURLINGTON, Vt. — The nation's governors closed their summer meeting yesterday far from consensus on how Congress should change welfare and Medicaid, as they were hobbled by their own partisan disputes and early presidential politicking.

The failure to make policy recommendations on the two issues means the National Governors' Association will not be able to lobby Congress on those programs as the House and Senate approach September budget deadlines.

Worried that sitting on the sidelines will result in decisions unacceptable to the states, particularly on Medicaid, the governors agreed to form two task forces to resolve their disputes. But the lack of progress at the weekend meeting suggested compromise will be difficult.

"We're running out of time," said Wisconsin Gov. Tommy Thompson, a Republican who assumed the NGA chairmanship yesterday.

Debate on welfare is scheduled in the Senate this week, so it appears unlikely the governors will settle their feuds in time to help shape that debate. But Nevada Gov. Bob Miller, a Democrat and the new NGA vice

chairman, expressed hope they would find consensus in time to help bring about a compromise between the Republican Congress and President Clinton.

"If we don't find common ground, somebody else is going to find it for us," Miller said.

Gov. Weld said he planned to get personally involved in negotiations with the federal government over his state's welfare overhaul plan.

President Clinton indicated on Monday that the government was withholding approval on the plan because officials do not want to penalize recipients looking for work but cannot find jobs within a proposed two-year time limit.

In Boston, Lt. Gov. Paul Cellucci said Clinton and his administration "begin to look a little bit silly" by advocating work for welfare recipients while delaying approval on the Massachusetts plan, which is designed to force people into jobs.

The governors were united in making the case that as Congress cuts spending, it needs to give states greater flexibility to find ways to do more with less.

"We're the ones who are going to have to cut programs or raise taxes," Thompson said.

But Republicans, the majority in

the NGA for the first time in two decades, were unable to persuade Democrats to agree to a welfare policy resolution that was along the lines of Majority Leader Bob Dole's Senate bill.

At one meeting of Democratic governors, according to participants, Colorado Gov. Roy Romer appealed for a compromise with Republicans but was criticized by Florida Gov. Lawton Chiles and others on grounds that such a deal would undermine Clinton's welfare position.

"Presidential politics quite frankly shaped some of the limits of the discussion," Romer said.

On Medicaid, the search for a consensus was crippled by the refusal of some Democrats to concede that the program is likely to be converted into a state entitlement or block grant. To break the impasse, Michigan Gov. John Engler, a Republican, said Democrats "are going to have to accept the reality that block grants are coming."

Beyond the partisan divide, the path to consensus on Medicaid is blocked by a regional dispute over how Medicaid money would be divided among the states.

SANDER M. LEVIN

13TH DISTRICT, MICHIGAN

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WAYS AND MEANS

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Congress of the United States

House of Representatives

Washington, DC 20515

MEMORANDUM

TO: Hon. Leon Panetta
Chief of Staff to the President

FROM: Hon. Sander Levin *SL*

RE: WELFARE REFORM

DATE: July 28, 1995

To Leon

Because, quite understandably, it has been difficult to crystallize discussions by telephone on next steps in this matter, I am doing so by memo.

The basic question is which course should Democrats basically follow:

1) await the efforts of the Republicans as they try to put together a position on welfare; or

2) led by the President, during this hiatus before the Republicans fail or succeed, set forth our essential, bottom-line components of welfare reform.

I strongly favor the second course. Let me comment by taking the arguments for the first course, then responding to them.

1. Let the country see the Republicans in disarray.

Response: Outside of Washington, DC, the country really isn't glimpsing this. Further, for reasons including Presidential dynamics, the Republicans may very well compromise their differences, unless there is pressure from a far more visible Democratic alternative.

2. The more compelling and unified Democrats become, the more it will forge unity among Republicans. Or to put it another way, moderate Republicans will move to a Democratic proposal only after failure, after internecine battles within their own ranks.

Levin/page 2

Response: Maybe so, but I believe that there is a strong argument that as the Democratic proposal gains momentum, moderate Republicans will increasingly move toward serious discussions with Democrats.

3. Getting Democrats to agree on a bottom line is not attainable at this time.

Response: Wrong. The President's original proposal, and the House and Senate Democratic versions, contain similarities on basic ingredients:

- * a strong welfare to work linkage, with funding to back it up (the funding is clearer in the President's version and the House bill than in the Senate, but is in all three);
- * a guaranteed benefit for people in the reformed system -- a basic stipend, day and medical care;
- * time limit on how long people stay within the reformed system; and
- * a source of funding (including reform of benefits for legal immigrants and SSI recipients which, while more fully spelled out in the House Democratic proposal than the Senate can easily be worked out).

4. Clear coalescence around a Democratic proposal at this time will lead to Republicans moving back to the drumbeat about Democrats as supporting entitlements and the status quo.

Response: To run scared because of this means that we will always run scared. The best answer is the one adopted by the President before he became President - take the initiative in defining the issue and the answer.

Levin/page 3

5. It is just too early to set up anything in cement on this issue. The President needs maximum flexibility. He must pick and chose when he sets bottom lines and implies or states potential use of the veto power. He cannot become "Mr. Veto."

Response: True, there must be selectivity. But welfare should be one of the select and selected issues.

Surely this is true for policy reasons. It is also true for political reasons. Republicans today continue to be more trusted than the President and Congressional Democrats to fix welfare (ABC/Washington Post 7/18 poll; another poll shows the President more trusted than Gingrich but that is undoubtedly skewed by feelings about Gingrich as compared with Dole and the Republican Senate). It seems clear the general public at this point do not have a clear perception of a Democratic position on welfare.

At the same time, when asked what issues Congress should work on, 83 percent say reform welfare, the second highest ranked issue (Melman Group Study).

I urge that all of this adds up to the following: we should take the initiative now. There are only two possibly acceptable outcomes.

1) A bill that the President can sign with very positive feelings and that most Democrats voted for.

2) A stalemate, with the Democrats having stood for and behind a welfare reform proposition so strong and so clear that we can go to the Nation on it in 1996.

Either of these outcomes means that we should take the lead now, and make sure the debate is more on our terms than their's.

A third outcome, having the President sign a bill he really did not want to sign and a majority of Democrats voted against, is a recipe for disaster, policy-wise and politically.

I urge that all of this means further action next week. The President is taking the initiative on budget issues and finding events to illustrate each priority. Welfare reform should be moved to the top of the list.

To: Leon
Fr: Rahm and Bruce
Re: Welfare Speech

To coordinate the different agency activities for the upcoming welfare speech at the NGA we need you to call Secretary Shalala. Your points for the phone conversation are as follows:

* The President has signed off on the Mass. waiver including our recommendations for the family cap and time limits. This means the Secretary should send Weld a letter that our one remaining difference is over time limits.

* Instruct the Secretary to begin to prepare the remaining welfare waivers for Mass., Calif., Kansas, Mississippi, Utah, North Dakota, West Virginia, and Texas. She will raise concerns on the timing and amount. Explain we are preparing to issue them early next week.

* On the issue of the Family Cap, specifically for California, tell her the President wants to grant this waiver. We have always favored a state option.

* The remaining policy issues for the speech should be worked out by Bruce and the Secretary.

456 -
[Handwritten signatures]

SENATOR BOB DOLE
REMARKS PREPARED FOR DELIVERY
NATIONAL GOVERNORS ASSOCIATION
JULY 31, 1995
BURLINGTON, VERMONT

Thank you, Governor Thompson, for those kind remarks, and thank you, Governor Dean, for hosting this meeting in your beautiful state.

Robert Frost once wrote that the two best states in the union were Vermont and New Hampshire. And the interesting thing is that he made that statement even though he wasn't running for President.

Let me begin this morning by thanking all Governors for your leadership in helping us pass Senate Bill 1--the unfunded mandates legislation.

When I announced on the first day of this Congress that the unfunded mandates bill would be designated Senate Bill 1, I also said that if I had one goal for the 104th Congress it would be to dust off the 10th Amendment, and restore it to its rightful place to the Constitution.

The 10th Amendment, of course, is the principle of federalism. The principle that power should be kept close to the people. And it's a principle that is every bit as true today, as it was when our Constitution was written.

And I think we can all agree--regardless of party--that this Congress has made some very positive steps in replacing paternalism with partnership, and in returning power and resources to our state capitals.

On issues like welfare, crime, and education, we hope to do more. But we know it won't be easy. President Clinton has said that giving you control will incite a "race to the bottom."

I wonder which states he thinks would participate in such a race. Which states does he believe can not be trusted with welfare, education, and protection of their people?

The truth is that only our states can be trusted with these things. Federal control just hasn't worked. After three decades of experimenting with big government, do our poor have more hope? Are our streets safer? Are our schools providing a better education to our children?

If there's anyone who excels at finding better ways, it's you, our nation's Governors. As governors, you know that every problem, every challenge, eventually will land on your desk. This requires you to lead with innovation and imagination. It requires you to fight for change, rather than the status quo.

I have seen that leadership at work in state after state, whether it's fighting crime in New York, returning fact-based education to Virginia classrooms, or making Wisconsin a national trail blazer in welfare reform.

WELFARE REFORM

For many Americans, the most graphic example of big government's failure to perform as advertised is welfare. It is the point where liberal rhetoric meets reality. For years, some have told the American people that if we only spent a little more on welfare...if we only started a few more federal programs and waited a few more years...our welfare system would start to work.

But our welfare system doesn't work, and the American people know it.

It doesn't work because it is not based on the classic, proven American formula for escaping poverty: A job. A strong family. A good education. Saving some money to buy a home.

Instead, our welfare system undermines almost every value and virtue that leads to self-reliance and success. It discourages work, penalizes marriage, and traps people in government owned housing.

The fact is that there are more people living in poverty today than before the Great Society was started. There can be no escaping the conclusion that the current system has failed. And it will keep failing until we change it. And change does not mean just tinkering at the edges. To quote my old friend Ross Perot, it means opening up the hood, and totally overhauling the engine.

And that's just what this Congress will do. Let there be no doubt about it. Republicans are unanimously committed to welfare reform. While the White House has stood idly by, there has been vigorous debate among Senate Republicans in an effort to further strengthen our proposal. We are now prepared to go forward.

The plan we propose is based on three guiding principles.

The first principle: Welfare reform should be designed and run by those closest to the problem--the states. The answer is not more waivers.

Governors should not have to play a game of "Mother May I." The waiver process only perpetuates a flawed system. Yes, waivers

have led us in the right direction. Now, let's finish the job. Real change will only occur when you are released from the burden of federal rules and regulations.

One thing about welfare is certain--no federal bureaucrat will ever come up with a blanket program which works equally well in all 50 states. America is too diverse for that. Through block grants to the states--not waivers--the federal government can provide resources to fight poverty without imposing the rules and regulations that ban innovation. It's time to revive your "laboratories of democracy."

That's why we support changing one-size-fits-all Washington welfare into flexible block grants to states. Our proposal will combine AFDC, child care programs under AFDC, and job training programs under AFDC, into one block grant. It will permit states to opt for a food stamp block grant, giving you even greater discretion.

As a result of the work of the Senate Labor Committee, we will also consolidate, and put into another single program, 69 job training and training-related educational programs, including the JTPA program and the Carl Perkins Vocational Training and Education program.

Our second principle is that welfare programs should include a real work requirement, which--in no uncertain terms--requires able-bodied welfare recipients to find a job, not stay at home, and not stay in a training program forever. But go to work, in a job.

When it comes to escaping poverty, we know that the old American work ethic was true. Work works. But no longer will we burden you with the rules and requirements that accompanied the old JOBS program. We have heard your message--we will repeal the JOBS program and let you design real work programs. You might choose to cash out a percentage of your food stamp benefits and supplement someone's wages. And under our proposal, you'll be able to do it without a waiver from Washington.

Our final principle is that no program with an unlimited budget will ever be made to work effectively and efficiently. Therefore, we must put a cap on welfare spending.

For example, our proposal will include a fixed amount for the former AFDC program, based on FY '94 expenditure levels.

But in capping spending, we will give you the needed flexibility to run the programs your way. Thousands of government regulations will be wiped off the books with the repeal of the AFDC program and the JOBS program. We will give you explicit authority for determining eligibility and benefits.

Additionally, we recognize that there are states who, through no fault of their own, will experience population growth above the average, or who have benefits far below the national average. We will provide additional funds for these states--without taking anything away from the rest of you. Finally, we will provide a loan fund that will be available to all states, should you confront some unexpected circumstance that dramatically increase your costs.

The bill Republicans will fight for--and we hope the Democrats will join us in supporting--will, in fact, "end welfare as we know it."

But all our efforts to reform these programs will accomplish very little, if we fail to address some of our disturbing societal problems--problems like the astounding increase in the number of children born out-of-wedlock and the number of children having children. Our bill will give you, the states, the flexibility you have asked for and need to address these problems with solutions that strengthen families, discourage illegitimacy, encourage personal responsibility, and perhaps, most importantly, do nothing to encourage abortion.

The solution to the tragedy of out-of-wedlock births among young people has been much debated. Among those who feel most strongly, and perhaps have the greatest experience in providing guidance to these young people, are the Catholic Charities. Along with the U.S. Conference of Catholic Bishops, the Catholic Charities and other groups have urged us not to put the unborn at risk in our important efforts to remove any incentives for illegitimacy.

I will do all in my power to ensure that our reforms will not increase the tragedy of abortions in America.

As we put together our welfare reform proposal, we met frequently with Governors and your staffs. We will continue to do so, and I trust that you will not be shy if you believe we can further improve our proposal.

MEDICAID

The principle that innovation and wisdom flow from the states up, not from Washington down, must also guide our efforts to improve Medicaid. Here, again, tinkering won't work. Major reform is needed.

Oppressive federal control has not made Medicaid a better program. To the contrary, it has built a system that constantly favors the most expensive institutional care while discouraging innovative service delivery. These problems can not be fixed by minor adjustments or so-called "liberalizing" changes, which, in the hands of an aggressive federal bureaucracy, would be used as an opportunity to impose more federal control.

Real reform can only be accomplished by repealing the existing program, and starting with a clean slate to design a sensible program to meet today's needs. The states, not Washington, should be given the freedom to design a Medicaid system that results in more innovative delivery systems and benefits packages.

Rules like the Boren Rule--which is an attempt by the federal government to micromanage how much you pay providers, and in doing so, makes it easier for groups to haul you into court--should be repealed.

MEDICARE

Finally, let me say a word about Medicare. Given the scope of the challenges you face as Governors, I know this is one issue you're delighted to leave in the hands of the federal government.

Last week was the 30th anniversary of Medicare. And I'll give the President and his advisors credit. They know a media opportunity when they see one. During the week, the President and his Cabinet members held a number of very public meetings with senior citizens. And, at every meeting, they did their best to scare the audience into believing that Republicans were out to take away their Medicare.

What the President didn't say is that according to the report of the Medicare Trustees--three of whom are members of the President's Cabinet--if no actions are taken, Medicare will be bankrupt by the time it celebrates its 37th anniversary in the year 2002. If you haven't seen the report, give me a call, and I'll send one to you. In fact, Speaker Gingrich and I have suggested to the President that, in the interest of full disclosure, he send a copy of the report to every Medicare recipient.

From the first day the Trustees' report was issued, I have called upon the President to join Republicans in a bi-partisan effort to preserve, improve, and protect Medicare. We saved Social Security with bi-partisan cooperation in 1983, and we can do it with Medicare.

The President has spoken about the need for less partisanship and more partnership in Washington. Medicare, along with welfare reform, offers him a chance to prove that he means what he says.

This is an exciting time to serve in Congress. And it's an exciting time to serve as a Governor. The ideas this Congress are championing percolated in the states for many years--awaiting only the critical mass needed to burst forth on the national scene.

Now, I believe a fire has been lit which can not be extinguished. I believe America's historical detour into bureaucracy and centralization is over.

I hope we will agree on much in the days and months ahead. But I realize that we will also disagree here and there. And I know that we will carry on the debate because we care so deeply-- Republicans, Democrats, Independents--about our country's future, and the future of our world.

It is my hope that when the history of our age is written, it will be said that we charted a new course toward another American century by remembering and heeding the oldest principles and truest lessons of our past.



ASGARD AIR FORCE ONE

- ① DEL + ILLINOIS + 22 others
- ② FLORIDA + ARIZONA + 13 others
- ③ ^{MICHIGAN} ~~OHIO~~ + MISSOURI + 12 others
- ④ VT + WISCONS + 4 others
- ⑤ OHIO, MISS, + OREGON + 2 others

- ① MASS.
- ② DOLE

PHOTOCOPIED FROM ORIGINAL
TODAY'S WELFARE WAIVERS

WEST VIRGINIA

West Virginia's "Joint Opportunities for Independence" (JOIN) program helps adults in two-parent families gain work experience with private employers and provides a travel expense stipend and an income disregard. Employers who provide work experience positions to JOIN participants would pay individuals \$1.00 per hour for work and travel expenses.

The state will provide child care when both parents participate in program activities. Fiscal sanctions will be imposed on families who fail to participate in JOIN.

West Virginia's application was received on April 11, 1995.

UTAH

Today's action extends Utah's "Single Parent Employment Demonstration" project (SPED), which mandates greater participation in work preparation program, allows recipients to retain higher monthly earnings without affecting their welfare cash benefits, and allows a one-time payment for basic or special needs to prevent people from needing to rely on welfare.

Another provision approved today allows a family's AFDC cash benefits to be terminated if, after repeated efforts to encourage compliance and gradual sanctions, parents fail to comply with education, training and work preparation requirements. It also extends transitional services and some Food Stamp benefits from one to two years after leaving AFDC for work.

Utah's waiver request was received May 17, 1995.

TEXAS

"Promoting Child Health in Texas" requires the parents or guardians of children receiving Aid to Families with Dependent Children to show proof of age-appropriate immunizations, or face benefit reductions.

The state is also expanding opportunities for children to receive vaccinations in Department of Human Services' offices.

Texas' waiver was received April 11, 1995.

CALIFORNIA

Today, the Clinton administration agreed in principle to California's waiver request to establish a family cap (i.e., no increase in benefits due to the birth of a child conceived while a family is receiving AFDC) and its California Incentives to Self-Sufficiency Project, which will provide transitional benefits for families that become ineligible for AFDC due to marriage. The demonstration will also include a mandatory community work experience program and a set of provisions to combat fraud.

California originally requested two submissions which HHS and the state have agreed to combine into one waiver.

STATES THAT FALL INTO THE FIVE CATEGORIES

WORK REQUIREMENTS 24 states

Delaware, Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Mississippi, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming

TIME LIMITS 15 states

Florida, Arizona, Colorado, Connecticut, Delaware, Indiana, Iowa, Michigan, Missouri, Nebraska, Oklahoma, South Carolina, South Dakota, Vermont, Virginia

TEEN MOTHERHOOD 6 states

Vermont, Arizona, Delaware, Missouri, Virginia, Wisconsin

CHILD SUPPORT/ REQUIRED WORK FOR FATHERS 14 states

Michigan, Arizona, California, Delaware, Florida, Illinois, Massachusetts, Mississippi, Missouri, New Jersey, Ohio, Tennessee, Utah, Wisconsin

PRIVATIZE: 5 states

Arizona, Mississippi, Ohio, Oregon, Virginia

draft 7/28/95

**REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995**

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; Madeline Kunin, Deputy Sec., Education and former Governor of Vermont; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

I share Governor Dean's sense of urgency about our children. In fact, I ran for President because I wanted to ensure a better future for our children. I did not want my daughter to be a part of the first generation of Americans to do worse than their parents. I also did not want to be a passive spectator at the funeral of our core American values: work and responsibility, community and family. So I took office to do two things: first, to expand opportunity and demand responsibility from every citizen. And secondly, to bring this country together again through a recommitment to the shared values that have made us great. And I have realized something during the course of this journey. You can't do one without the other. We must all pull together to rebuild the American Dream.

That's why, for the past two-and-a-half years, I have sought common ground with the American people about the needs of children and families. We've worked hard to give hard-working families the help they need to make the most of their God-given potential -- and to give their children a good start in life.

The Earned Income Tax Credit now provides an average tax deduction of about \$1350 for working families with children with incomes below \$28,000. The Family and Medical Leave Law now helps more people be good parents and successful workers. The crime bill we enacted protects our children with 100,000 more police officers on the street and prevention programs that give our young people something to say yes to. We've expanded Head Start and made historic strides in education reform with efforts like Goals 2000, direct student loans, and our national service program, AmeriCorps.

So, we have done a lot to improve the quality of life for children and families. But, there is one thing we have not been able to do -- pass comprehensive welfare reform. The American people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus to do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that this would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there joined me in letting Congress know that tough child support enforcement should be the law of the land.

So, why has the Congress failed to act? Unfortunately, in recent days, ideological ~~and regional~~ in-fighting has stalled progress on welfare reform. Some on the far right have held welfare reform hostage because they want to punish children whose parents are poor, young, and unmarried. That's wrong. There isn't a governor in either party who thinks that mandating every state to throw kids off the rolls is a good idea. Instead of punishing children for their parents' mistakes, we should require teen mothers to live at home, stay in school, and turn their lives around. Welfare reform isn't about just cutting people off. We will only succeed if we move people from welfare to work.

? ~~For weeks, the Senate has been hung up over a formula fight that pits state against state and region against region. We need to make sure that states don't pay the price if their population grows or their economy takes a turn for the worse. We also need to make sure that we don't~~ just shift the welfare problem to the states without giving you the resources to solve it. I am a firm believer in more state flexibility and tougher work requirements. But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money. ^{should it}

Let me give you just one example. Instead of providing states with resources for the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is

pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because they can't find child care.

[insert any additional reactions to Dole's speech]

Welfare reform doesn't have to be a huge unfunded mandate on state and local governments. There is an alternative. The Senate has before it a good bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work. That's real welfare reform and we should reach across party lines to pass it.

I will not let welfare fall victim to "just say no" politics in Washington. I've worked on this issue for most of my public career, and so have many of you. It's time for Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill without further delay. The American people have waited long enough.

You and I have been working hard to move the ball forward. We're collecting child support at a record level from delinquent parents, and earlier this year I signed an executive order to crack down on federal employees who owe child support. We could move 800,000 people off welfare tomorrow if parents paid the support they should.

In the last two-and-a-half years, my Administration has approved waivers for 29 states to reform welfare their way. The very first waiver we approved was for Governor Dean to put in place time limits that make it clear here in Vermont that welfare is a second chance, not a way of life. We cut through red-tape so that Governor Thompson could send the same message in Wisconsin.

After intensive study, I have decided that the executive power of my office will permit me to take a number of ~~highly~~ significant steps, many through using ~~my~~ waiver power to permit us to bring to the American people ~~all the basics~~ of substantive welfare reform they seek. My simple message today is that ~~while we as a nation desire Congressional action,~~ ^{while we all press for Congress to act,} it's time for the ~~50 states~~ and for me as President ^{and get it done} to ~~take the basics of welfare reform into our own hands and get it done.~~ ^{build on what the progress we've made and to bring will to every state.}

First, I am directing the Secretary of Health and Human Services to approve changes you want to make in your welfare system if they meet any one or more of five guidelines I am laying down today. ~~In other words,~~ if you and your legislature decide to do any one or more of these five things, you can do so by simply

UHS fix

I will work to put on a fast track.
passing your own bill and federal approval will follow automatically and swiftly. There is much I can't do through executive authority that I would like to do. But there is a lot I can do, and here it is.

One: America longs for the day when every single able-bodied person on welfare works. We want this because we want welfare to be an experience in work, not in dependency. I want every welfare recipient who can to get up in the morning, work all day, and come home at night. And I want them to have adequate child care to permit them to do this. So, any state that does what Florida does -- require people on welfare to work will get my approval to do it.

diff example
Two: Most Americans agree that welfare cannot become a permanent state of life. It should be for people who are down on their luck and need temporary support and help getting back on their feet. Unfortunately, most Americans agree that too often some people abuse the temporary respite of welfare and stay on the dole forever. This must end. So, any state that does what Virginia did and requires that every welfare recipient leave the welfare rolls after a set number of years and offers to provide a job if they can't find a job, will get my approval. By the way, if the welfare recipient turns that job down, they should be tossed from welfare. And that one sure has my support.

Three: Too often, teen motherhood is the ticket to premature independence in life for very young girls. With the baby comes the right and the money to leave school, stop working, and set up a new household. Independence needs to be earned by work. So, if any state wants to do what _____ did and require underage mothers on welfare ~~to continue~~ to live at home and stay in school, it will have my support and approval right away.

Four: Ultimately, it is not the taxpayers in California or New York or Florida or anywhere else in the United States who ~~should~~ pay welfare to the mothers of dependent children -- it's the fathers. So, any state that does what many states, including _____, _____, and _____ do to make mothers identify the fathers in order to get our assistance so we can make them pay child support, will get my support.

business
Fifth: Let's privatize welfare. Let's take ~~all the~~ welfare money and ~~all the~~ food stamp money and pay it to a ~~company~~ if they hire the welfare recipient to work. Let these cash payments be a wage subsidy to employers to encourage them to hire people on welfare. Ohio, Mississippi and Oregon have had the courage, the wisdom, and the foresight to do just that. And I challenge the rest of you to follow in their footsteps.

SOUND BITE:

So I say to you today, go back to your states and pass laws that require people on welfare to work, that cut off benefits after a time limit, that make teen mothers live at home and go to school, that make welfare mothers identify the fathers, and that use welfare benefits as a wage supplement for private employers who give people on welfare jobs. Pass it. Sign it. Send it to me. Well And ~~FBI~~ approve it in 30 days and then we will have real welfare reform, even as Congress still debates the bill.

The second executive action I am taking today is to set a tough, new benchmark for states that is based on the one measure that really matters -- how many people you put to work. One of the ironies of the current rules is that states get credit for people who sign-up for a training program, but they don't get credit for people who are actually working. That's crazy. Starting October 1, when current rules expire, we're going to start measuring success the right way. With this new benchmark, we can double the work participation goal from 20 percent to 40 percent.

Third, I am directing the Office of Management and Budget to change federal regulations so that states can impose tougher sanctions on recipients who refuse to work. Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, that person's food stamp benefit goes up, so it turns out to be not much of a sanction at all. If we're going to move people from welfare to work, we have to change the culture of the welfare system to reward people who take responsibility for their lives and not let them off the hook if they don't.

Finally, as another downpayment on our commitment to our partnership with you on welfare reform, today my Administration has reached agreement on welfare reform waivers for four states: West Virginia, Utah, Texas, and California. We are also announcing food stamp waivers for Delaware and Virginia. That means that a total of 32 states have now been freed up to promote work and responsibility without being stifled by Washington one-size-fits-all rules.

None of this is a replacement for bold Congressional action. Rather, I hope these steps will spur the Congress to get off the dime. Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed.

I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to

pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a responsibility to bring real change to Washington.

I hope Congress will act, and soon. But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

07/28/95 14:55

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WHITE HOUSE

draft 7/28/95

**REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995**

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

I share Governor Dean's sense of urgency about our children. In fact, I ran for President because I wanted to ensure a better future for our children. I did not want my daughter to be a part of the first generation of Americans to do worse than their parents. I also did not want to be a passive spectator at the funeral of our core American values: work and responsibility, community and family. So I took office to do two things: first, to expand opportunity and demand responsibility from every citizen. And second, to bring this country together again through a commitment to the shared values that have made us great. And I have realized something during the course of this journey. You can't do one without the other. We must all pull together to rebuild the American Dream.

That's why, for the past two-and-a-half years, I have sought common ground with the American people about the needs of children and families. We've worked hard to give hard-working families the help they need to make the most of their God-given potential -- and to give their children a good start in life.

The Earned Income Tax Credit now provides an average tax deduction of \$1000 for working families with children with incomes below \$28,000. The Family and Medical Leave Law now helps ~~more~~ people be good parents and successful workers. The crime bill we enacted protects our children with 100,000 more police officers on the street and prevention programs that give our young people something to say yes to. We've expanded Head Start and made historic strides in education reform with efforts like Goals 2000, direct student loans, and our national service program, AmeriCorps.

So, we have done a lot to improve the quality of life for children and families. But, there is one thing we have not been

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1
work incentives (next →)
work rights. (

able to do -- pass comprehensive welfare reform. The American people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus from both. We should do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that that would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there ~~let~~ Congress know that tough child support enforcement should be ^{the law of the land.}

So, why has the Congress failed to act? Unfortunately, in recent days, partisan, ideological in-fighting has stalled the progress on welfare reform. Some on the far right have been holding welfare reform hostage because they want to punish children whose parents are poor, young, and unmarried. That's wrong. There isn't a governor in either party who thinks that mandating every state to do that is a good idea. Instead of punishing children for their parents' mistakes, we should require teen mothers to live at home, stay in school, and turn their lives around. Welfare reform isn't about just cutting people off. It will only succeed if it moves people from welfare to work.

For weeks, the Senate has been hung up over another issue that pits Congress against the states and pits states against each other. I am a firm believer in more state flexibility and tougher work requirements. But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money.

There's another crucial element that's missing from the current approach of many in Congress. Instead of providing the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because they can't find child care.

[insert any additional reactions to Dole's speech]

Welfare reform doesn't have to be a huge unfunded mandate on state and local governments. There is an alternative. The Senate has before it a bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work. **[MORE?]** That's real welfare reform and we should work across party lines to pass it.

~~We just can't afford to~~ ^{I will not} let this die. I've worked on this issue for most of my public career, and so have many of you. It's time for Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill without further delay. The American people have waited long enough.

You and I have been working hard to move the ball forward. We're collecting child support at a record level from delinquent parents, and earlier this year I signed an executive order to crack down on federal employees who owe child support. We could move 800,000 people off welfare tomorrow if parents paid the support they should.

In the last two-and-a-half years, my Administration has approved waivers for 29 states to reform welfare their way. The very first waiver we approved, was for Governor Dean to put in place time limits that make it clear here in Vermont that welfare is a second chance, not a way of life. We cut through red-tape so that Governor Thompson could send the same message in Wisconsin. And we've given waivers to Ohio, Missis~~ippi~~, and Oregon to move people to work by using money now spent on welfare and food stamps to subsidize private sector jobs. That's a win-win. Businesses are hiring more people, taxpayers are saving money, and people who used to get welfare checks are now earning paychecks.

The American people demand that anyone on welfare who can work, must work. And that there ought to be limits so that no one who can work can stay on welfare forever. I am determined to use the full range of my authority as President to reform welfare and promote work. ^{through this debate, I have been guided by one principle that welfare is not a permanent way to W. without getting someone to W.} Today, I want to announce a series of measures we can take ^{to get someone to W.} together that will move us closer to ending welfare as we know it while we wait for Congress to end the logjam and act.

First, I am using my executive authority to ^{set for} hold states to a tougher performance ^{benchmark} standard for moving people from welfare to work and giving them ~~the tools to do so~~. Starting October 1, I am doubling the work participation goal from 20 percent to 40 percent. And we'll make sure that States that meet this tough,

challenging state to meet

double the current requirement

credit for people who are actually working

Right now, one of every things about current practice is that you don't get credit for people who are actually working. There are the like. so that workers can't.

new benchmark are recognized and rewarded.

*WFR shouldn't be race to bottom
race to independence*

Second, I am ^{directing OMB to} changing federal regulations so that states can impose tougher sanctions on recipients who refuse to work. Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, that person's food stamp benefit goes up, so it turns out not to be ~~a~~ ^{much of a} real sanction at all. If we're going to move people from welfare to work, we have to change the culture of the welfare system to reward people who take responsibility for their lives and not let them off the hook if they don't.

Third, as another ~~downpayment~~ ^{step} on our commitment to our partnership with you on welfare reform, today my Administration ~~is announcing~~ ^{has reached agreement on} welfare reform waivers ~~for five states:~~ [West Virginia, Utah, Texas, California, ~~and Massachusetts~~]. We are also announcing food stamp waivers for ~~Delaware~~ ^{and} Virginia. ~~That means that a total of 32 states have now been freed up to try out their ideas without being stifled by Washington one-size-fits-all rules.~~ ^{provide work respons.}

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I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a responsibility to bring real change to Washington.

I hope Congress will act, and soon. But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

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WHITE HOUSE

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We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. ~~Now there's a bipartisan consensus even in Washington that that would be the wrong way to go.~~ When ~~the~~ Congress first took up welfare reform, some questioned the need to include strong child support enforcement. ~~But when governors and Members of Congress came together at our White House summit on welfare reform, in January, Tommy Thompson, Howard Dean and every other governor there let Congress know that tough child support enforcement should be the law of the land.~~

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State against state and region against region. To me the best way to fight that

we've seen in the Senate
to give states some protection for the future
against cyclical economic changes and the kind of population
and demographic shifts that we know we'll see among states.
All you're looking in Washington for that and I hope you

[insert any additional reactions to Dole's speech]

Welfare reform doesn't have to be a huge unfunded mandate on state and local governments. There is an alternative. The Senate has before it a bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work. That's real welfare reform and we should ~~work~~ ^{reach} across party lines to pass it.

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See Wald's legal mumbo jumbo.

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WHITE HOUSE

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*strong
A protection
for children,*

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Thank you.

[Acknowledgements: Governor Dean for introduction

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REMARKS BY PRESIDENT WILLIAM

JEFFERSON CLINTON

NATIONAL GOVERNORS ASSOCIATION

ANNUAL MEETING

BURLINGTON, VERMONT

JULY 31, 1995

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[Acknowledgements: Governor Dean for introduction (mention Medicaid waiver); Governor Thompson, incoming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; Madeline Kunin, Deputy Sec., Education and former Governor of Vermont; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader.

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~~not want to be a passive spectator at the funeral of our~~

~~core American values: work and responsibility.~~ '92 - US slowest job growth since Depression, 1st time from 1960s
 1992 - US slowest job growth since Depression, 1st time from 1960s
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~~community and family.~~

— Vision — Hope, Smart work ethic, Strong family, Consensus, ~~transparency~~ govt, ~~clear~~ clear law, safety, net 2 → equal trading, diverse, flexible

— Strategy — → Create home opp / demand for people
 → Bring Am. people together
 create jobs for all

So I took office to do two things: first, to expand

opportunity and demand responsibility from every

citizen.

① Opport → Econ: Def, TB, I-kill, ReH, inf %
→ ED: HOA, 62000, S-W, 0.14 (0.001, 0.001)
→ E2/CBS/... Concept

② Reign → a) Lower/Collection and Welfare
b) Free W/Ch Supp

And secondly, to bring this country together again

c) Welfare/ETC - 1350/28,000

through a recommitment to the shared values that have

d) Elim: Prescription/Paradigm

made us great. And I have realized something during

③ Reop → Social - 150,000

the course of this journey. You can't do one without

Welfare - 16,000

the other. We must all pull together to rebuild the

Reop: pub - Pres Sec 8 1/2

American Dream.

How Country
Free W/Ch Supp → 2870

Welfare/ETC → 4070

④ Realt → Tax/24hr Welfare/Ch Supp Welfare/ETC

That's why, for the past two-and-a-half years, I have

sought common ground with the American people

about the needs of children and families.

Long way from being Am play together 6 Gnd
13 6u → Forward → Rel 3du → Aff Action

~~We've expanded Head Start and made historic strides in
education reform with efforts like Goals 2000, direct
student loans, and our national service program,
AmeriCorps.~~

Can't get there unless keep making real & diversifying
picks: struggle, diet, political, well, culture.

~~So, we have done a lot to improve the quality of life
welfare reform~~ → CGUO: promote work, strong parenting
~~for children and families. But, there is one thing we~~
→ How many DC families know
~~have not been able to do -- pass comprehensive welfare~~
that's the way to pay for them who want work, or
~~reform. The American people have been clear: They~~
pay the money, but don't go to give poor kids who need
~~want welfare reform and they want it now.~~
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~~We have found common ground, across partisan and
ideological lines, on most of the issues surrounding
welfare reform.~~

Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good

parents. Now we have a broad consensus to do both. ⁽⁸⁰⁰⁰⁰⁰⁾
and on need for work stds for child supp enforcement ^(will cost less)
35 to 45 billion - and on what not to do: suppl man age or changing benefit

~~We also began this year with some in Washington to encourage, encourage mothers with children → and to suggesting that ending welfare meant taking children children, and in abandon, with an empty door — from their parents and putting them in orphanages.~~

~~— Now there's a bipartisan consensus even in Washington that this would be the wrong way to go. — When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement.~~

~~But when governors and Members of Congress came
together at our White House summit on welfare reform
in January, Tommy Thompson, Howard Dean and
every other governor there joined me in letting
Congress know that tough child support enforcement
should be the law of the land.~~

*Proposed (was in '91)
C. Guard in context -- advice for in '91 -> and since -*

So, why has the Congress failed to act? Unfortunately,
in '91
~~in recent days~~, ideological *in '91* in-fighting has stalled
progress on welfare reform. Some on the far right
have held welfare reform hostage because they want to
have states to implement their agenda including MOA to
~~punish~~ children whose parents are poor, young, and
unmarried. That's wrong.

~~There isn't a governor in either party who thinks that mandating every state to throw kids off the rolls is a good idea.~~ Instead of punishing children for their parents' mistakes, we should require teen mothers to

live at home, stay in school, and turn their lives

so they can be good workers & good parents, and their kids have a better chance to do well.
~~around. Welfare reform isn't about just cutting people off. We will only succeed if we move people from welfare to work.~~

So I'm vs. giving \$6 billion to the states
~~We shouldn't just shift the welfare problem to the states without giving you the resources to solve it. I am a firm believer in more state flexibility and tougher work requirements.~~

~~But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money.~~

~~Let me give you just one example. Instead of providing states with resources for the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because they can't find child care.~~

If we opposed to efforts
We want to move welfare mothers into workforce like most other women
Besides,
After all, breaking the cycle of welfare dependency is the ultimate goal —

We don't need ideological rig on the right or left. We don't need Congress to cut federal support. We do need more state flexibility -> My Admin has granted ~~it~~ to 29 states. And, as we give states more flexibility, we should make 33 waivers from federal rules that get in the way of help. ~~sure that states continue to fulfill their responsibilities.~~

Non
in 2 1/2 yrs
now 12
the country

Upon - But I am opposed to Congress budget cutting ~~that~~ especially

~~Some in Congress would provide~~ no incentives or as well as we will send you a check up requirements for states to maintain their own funding to support poor children for cash assistance, child care, and supports for work.

There is a serious danger that some states will "race to the bottom." ^{other than the} It is always much cheaper to simply cut the premium they will bring on yr. budget -> ^{given the other cuts Congress is making in HUD, ED, and}

Not too... they want to bid

people off than to move them to work. Welfare reform ^{what happens to the children then} should not be a race to the bottom. It should be a race

to independence. -> ^{that} ^{needed} ^{will be} ^{awful} by cost of dealing w/ tomorrow's consequences

~~There is a better way. The Senate has before it a good bill that demands work and responsibility and gives~~

states the tools they need to succeed: ^{tough support - 800,000} ^{training & working} ^{they know} ^{they can} ^{get flexibility}

-> I come to you today w/ 2 messages - (1) We do need to pass a well of law this

The Work First Plan sponsored by Senators Daschle,

Breaux and Mikulski ends the current welfare system

and replaces it with one based on work. ^{Helping all low-income Americans} ^{of its own program too} ^{It is} That's real

^{and it's a good place to start to} welfare reform and we should reach across party lines

^{get the job done.} to pass it. ^{Not being} ~~A few days ago I made a personal plea to Sen. Biele~~

to join this effort → I applauded Sen. D. for breaking w/ extremists in his party → getting rid of ideological strings and giving S. M. a say — But I am opposed to

~~I will not let welfare fall victim to "just say no" politics~~
~~and a system w/ no S. for local states~~

~~in Washington. I've worked on this issue for most of~~

~~This program is called aid to families w/ dependent children~~
~~my public career, and so have many of you.~~ It's time

~~not aid to S. w/ terrible budget problems created by~~
~~for Congress to stop the ideological bickering and send~~

~~Congress — Sen. S. Biele's speech today offers hope that~~
~~me a strong, bipartisan welfare reform bill without~~

~~Cong. can get beyond ideological bickering and avoid~~
~~further delay. The American people have waited long~~

enough.

My 2^o Message → We don't have to wait for Cong.
to go a long way toward ending welfare
as we know it.

You and I have been working hard to ~~move the ball~~
Already
forward. We're collecting child support at a record
level from delinquent parents, and earlier this year I
signed an executive order to crack down on federal
employees who owe child support. ~~We could move~~
~~800,000 people off welfare tomorrow if parents paid the~~
~~support they should.~~

Already

In the last two-and-a-half years, my Administration has
approved experiments for 29 states to reform welfare
their way. The very first welfare experiment we
approved was for Governor Dean to put in place time
limits that make it clear here in Vermont that welfare is
a second chance, not a way of life. Govt aggressive
efforts in welfare reform message.

~~We cut through red-tape so that Governor Thompson~~

~~could send the same message in Wisconsin.~~

Now we can and should do more, based on what states already know will work to monetize work & protect children

∴ Today I am directing Secy of HHS to approve. After intensive study, I have decided that the executive reforms for any St, on a fact track, that we appoints ~~power of my office will permit me to take a number of~~ one or more of the following 5 strategies:

highly significant steps, many through using waivers, to

① Requiring people on welfare to work and providing permit us to bring to the American people the kinds of adequate ch care to permit them to do so. Delaware got substantive welfare reform they seek. My simple approval to do this. So did — other Sts. Why not all so? ~~message today is that while we all press for Congress to~~

② Limiting welfare to a set # of yrs and cutting people off if they turn down jobs. Fla. got approval to limit welfare, to build on the progress we have made and bring provide a job for those who can't find one, and cut off those who ~~welfare reform to every state.~~

Welfare to work. So did — other Sts. Why not all so?

③ ^{young} Requiring fathers to pay child support or go to work
Three: Before we ask taxpayers in California or New
to do so. Michigan got approval to do this. So did
York or Florida or anywhere else in the United States
other than Taxpayers shouldn't pay what fathers owe and
to pay welfare to the mothers of dependent children --
can pay. Why not all do so?
we should go after the fathers. So, any state that does
what states like Michigan do -- require fathers to pay
child support or go to work -- will get my support.

④ Requiring underage mothers to ^{live at} ~~live at~~ ~~work~~ ~~work~~
Four: ~~Too often~~, Teen motherhood ~~is the ticket to~~ ^{should not lead}
~~and stay in school.~~
premature independence, ~~in life for very young girls.~~

With the baby ^{bringing} ~~comes~~, the right and the money to leave
school, stop working, and set up a new household.

~~Independence needs to be earned by work.~~

~~So, if any state wants to do what Vermont -- require
got approval to do this. So did --- other St. Why
underage mothers on welfare to live at home and stay
with all so?
in school -- it will have my support and approval right
away.~~

⑤ ~~Permitting States to pay the cash value of welfare
Fifth: Let's privatize welfare. Let's take all the
and food stamp payments to private ~~employers~~ as wage ^{subsidies}
welfare money and all the food stamp money and pay it
to a company ^{when} if they hire the welfare recipients to work.
Gugon get approval to do this. So did ~~Ohio~~ and ~~Ms.~~. Why not
Let these cash payments be a wage subsidy to
all 50 Sts → Privatizing welfare reform →
employers to encourage them to hire people on welfare.~~

~~Ohio, Mississippi and Oregon have had the courage, the
wisdom, and the foresight to do just that. And I
challenge the rest of you to follow in their footsteps.~~

[SOUND BITE]:

So I say to you today, go back to your states and pass laws ~~like the ones I've highlighted~~ that require people on welfare to work, that cut off benefits after a time limit for those who won't work, that make teen mothers live at home and go to school, that make parents pay child support or go to work, and that use welfare benefits as a wage supplement for private employers who ^{give to} people on welfare ~~jobs~~.
Pass ^{them} it. Sign ^{them} it. Send ^{them} it to us. We'll approve ^{them} it in 30 days, ~~and~~ Then we will have real welfare reform, even as Congress still debates the bill.

To further support my actions,

~~Third~~, I am directing the Office of Management and

Budget to approve a change in federal regulations so

that states can impose tougher sanctions on recipients

who refuse to work. Right now, when a state reduces

someone's welfare check for failing to hold up their end

of the bargain, that person's food stamp benefit goes

up, so it turns out to be not much of a sanction at all.

We're going to change that - if ~~you~~ you welfare check

~~If we're going to move people from welfare to work,~~

~~you down for refusal to work, your food stamp payment~~

~~we have to change the culture of the welfare system to~~

~~won't go up -~~

~~reward people who take responsibility for their lives~~

~~and not let them off the hook if they don't.~~

Finally, as another downpayment on our commitment to our partnership with you on welfare reform, today my Administration has reached agreement on welfare reform ~~wavers~~^{agreements} for four states: West Virginia, Utah, Texas, and California. We are also announcing food stamp ~~wavers~~^{experiments} for Delaware and Virginia. That means that a total of 32 states have now been freed up to promote work and responsibility without being stifled by Washington one-size-fits-all rules.

None of this is a replacement for bold Congressional action. Rather, I hope these steps will spur the Congress to get off the dime.

Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed.

*Next ch supp stes
Prog ch care
Cstr Fund
Prot for children*

What does this mean?

I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare

*Grow the
Strong the -
Welfare*

reform is a crucial part of this effort. ~~We are now at~~

~~Cong owes it to the Am people to pass an historic moment. The failure to pass welfare reform~~

~~Welf. ref. this year would be a breach of faith with the American~~

- ~~people~~ *→ move people from welfare to work*
- give ~~the~~ parents ch support need to work*
- req them to stay in sch & live at home if necessary*
- protect taxpayers & promote MC values w/ twin limit on welfare & req. to work.*

We in the Office owe it to the people not to wait. You haven't been. Two have! 23. Go start. How are cubing Welf. ref. to all so so.

DALLAS GIRL

Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus to do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages.

Now there's a bipartisan consensus even in Washington that this would be the wrong way to go.

When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement.

But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there joined me in letting Congress know that tough child support enforcement should be the law of the land.

So, why has the Congress failed to act? Unfortunately, in recent days, ideological in-fighting has stalled progress on welfare reform.

REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; Madeline Kunin, Deputy Sec., Education and former Governor of Vermont; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

I share Governor Dean's sense of urgency about our children. In fact, I ran for President because I wanted to ensure a better future for our children. I did not want my daughter to be a part of the first generation of Americans to do worse than their parents. I also did not want to be a passive spectator at the funeral of our core American values: work and responsibility, community and family. So I took office to do two things: first, to expand opportunity and demand responsibility from every citizen. And secondly, to bring this country together again through a recommitment to the shared values that have made us great. And I have realized something during the course of this journey. You can't do one without the other. We must all pull together to rebuild the American Dream.

That's why, for the past two-and-a-half years, I have sought common ground with the American people about the needs of children and families. We've worked hard to give hard-working families the help they need to make the most of their God-given potential -- and to give their children a good start in life.

The Earned Income Tax Credit now provides an average tax deduction of about \$1350 for working families with children with incomes below \$28,000. The Family and Medical Leave Law now helps more people be good parents and successful workers. The crime bill we enacted protects our children with 100,000 more police officers on the street and prevention programs that give our young people something to say yes to. We've expanded Head Start and made historic strides in education reform with efforts like Goals 2000, direct student loans, and our national service program, AmeriCorps.

So, we have done a lot to improve the quality of life for

children and families. But, there is one thing we have not been able to do -- pass comprehensive welfare reform. The American people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus to do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that this would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there joined me in letting Congress know that tough child support enforcement should be the law of the land.

So, why has the Congress failed to act? Unfortunately, in recent days, ideological in-fighting has stalled progress on welfare reform. Some on the far right have held welfare reform hostage because they want to punish children whose parents are poor, young, and unmarried. That's wrong. There isn't a governor in either party who thinks that mandating every state to throw kids off the rolls is a good idea. Instead of punishing children for their parents' mistakes, we should require teen mothers to live at home, stay in school, and turn their lives around. Welfare reform isn't about just cutting people off. We will only succeed if we move people from welfare to work.

We shouldn't just shift the welfare problem to the states without giving you the resources to solve it. I am a firm believer in more state flexibility and tougher work requirements. But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money.

Let me give you just one example. Instead of providing states with resources for the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because they can't find child care.

And, as we give states more flexibility, we should make sure that states continue to fulfill their responsibilities. Some in Congress would provide no incentives or requirements for states to maintain their own funding for cash assistance, child care, and supports for work. There is a serious danger that some states will "race to the bottom:" It is always much cheaper to simply cut people off than to move them to work. Welfare reform should not be a race to the bottom. It should be a race to independence.

There is a better way. The Senate has before it a good bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work.⑥ That's real welfare reform and we should reach across party lines to pass it.

I will not let welfare fall victim to "just say no" politics in Washington. I've worked on this issue for most of my public career, and so have many of you. It's time for Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill without further delay. The American people have waited long enough.

You and I have been working hard to move the ball forward. We're collecting child support at a record level from delinquent parents, and earlier this year I signed an executive order to crack down on federal employees who owe child support. We could move 800,000 people off welfare tomorrow if parents paid the support they should.

In the last two-and-a-half years, my Administration has approved experiments for 29 states to reform welfare their way. The very first welfare experiment we approved was for Governor Dean to put in place time limits that make it clear here in Vermont that welfare is a second chance, not a way of life. We cut through red-tape so that Governor Thompson could send the same message in Wisconsin.

After intensive study, I have decided that the executive power of my office will permit me to take a number of highly significant steps, many through using waivers, to permit us to bring to the American people the kinds of substantive welfare reform they seek. My simple message today is that while we all press for Congress to act, it's time for me as President and you as Governors to build on the progress we have made and bring welfare reform to every state.

Many states are already demonstrating new welfare reforms that promote work and protect children. All states should be able to try out similar changes. Therefore, I am directing the Secretary of Health and Human Services to approve reforms you

want to make in your welfare system if they promote work and protect children through any one or more of five strategies I am outlining today. Send us a welfare reform demonstration that incorporates these strategies and we will put it on a fast track. Here are the kinds of things that all of us, without regard to party, believe are at the core of real welfare reform.

One: America longs for the day when every single able-bodied person on welfare works. We want this because we want welfare to be an experience in work, not in dependency. I want every welfare recipient who can to get up in the morning, work all day, and come home at night. And I want them to have adequate child care to permit them to do this. So, any state that does what Delaware does -- require people on welfare to work will get approval to do it.

Two: Most Americans agree that welfare cannot become a permanent state of life. It should be for people who are down on their luck and need temporary support and help getting back on their feet. Unfortunately, most Americans agree that too often some people abuse the temporary respite of welfare and stay on the dole forever. This must end. So, any state that does what Florida did and requires that every welfare recipient leave the welfare rolls after a set number of years and offers to provide a job if they can't find a job, will get approval. By the way, if the welfare recipient turns that job down, they should be tossed from welfare. And that one sure has my support.

Three: Before we ask taxpayers in California or New York or Florida or anywhere else in the United States to pay welfare to the mothers of dependent children -- we should go after the fathers. So, any state that does what states like Michigan do -- require fathers to pay child support or go to work, will get my support.

Four: Too often, teen motherhood is the ticket to premature independence in life for very young girls. With the baby comes the right and the money to leave school, stop working, and set up a new household. Independence needs to be earned by work. So, if any state wants to do what Vermont did and require underage mothers on welfare to live at home and stay in school, it will have my support and approval right away.

Fifth: Let's privatize welfare. Let's take all the welfare money and all the food stamp money and pay it to a company if they hire the welfare recipient to work. Let these cash payments be a wage subsidy to employers to encourage them to hire people on welfare. Ohio, Mississippi and Oregon have had the courage, the wisdom, and the foresight to do just that. And I challenge the rest of you to follow in their footsteps.

So I say to you today, go back to your states and pass laws like the ones I've named that require people on welfare to work, that cut off benefits after a time limit for those who won't work, that make teen mothers live at home and go to school, that make parents pay child support or go to work, and that use welfare benefits as a wage supplement for private employers who give people on welfare jobs. Pass it. Sign it. Send it to us. We'll approve it in 30 days and then we will have real welfare reform, even as Congress still debates the bill.

The second executive action I am taking today is to direct the Office of Management and Budget to approve a change in federal regulations so that states can impose tougher sanctions on recipients who refuse to work. Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, that person's food stamp benefit goes up, so it turns out to be not much of a sanction at all. If we're going to move people from welfare to work, we have to change the culture of the welfare system to reward people who take responsibility for their lives and not let them off the hook if they don't.

Finally, as another downpayment on our commitment to our partnership with you on welfare reform, today my Administration has reached agreement on welfare reform waivers for four states: West Virginia, Utah, Texas, and California. ^③ We are also announcing food stamp waivers for Delaware and Virginia. That means that a total of 32 states have now been freed up to promote work and responsibility without being stifled by Washington one-size-fits-all rules. ^③

None of this is a replacement for bold Congressional action. Rather, I hope these steps will spur the Congress to get off the dime. ^④ Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed.

I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a responsibility to bring real change to Washington.

The measure of success for all of us is whether we move people from the welfare rolls to the job rolls.

The measure of success for all of us is whether a family can move from welfare to independence if they receive their child support.

The measure of success for all of us is whether a teen mother can

turn her life around by living at home and staying in school.

The measure of success for all of us will be whether the integrity of the taxpayer and the dignity of people struggling to gain their independence is restored.

I hope Congress will act, and soon. But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

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[Handwritten signatures]

SENATOR BOB DOLN
REMARKS PREPARED FOR DELIVERY
NATIONAL GOVERNORS ASSOCIATION
JULY 31, 1995
BURLINGTON, VERMONT

Thank you, Governor Thompson, for those kind remarks, and thank you, Governor Dean, for hosting this meeting in your beautiful state.

Robert Frost once wrote that the two best states in the union were Vermont and New Hampshire. And the interesting thing is that he made that statement even though he wasn't running for President.

Let me begin this morning by thanking all Governors for your leadership in helping us pass Senate Bill 1--the unfunded mandates legislation.

When I announced on the first day of this Congress that the unfunded mandates bill would be designated Senate Bill 1, I also said that if I had one goal for the 104th Congress it would be to dust off the 10th Amendment, and restore it to its rightful place to the Constitution.

The 10th Amendment, of course, is the principle of federalism. The principle that power should be kept close to the people. And it's a principle that is every bit as true today, as it was when our Constitution was written.

And I think we can all agree--regardless of party--that this Congress has made some very positive steps in replacing paternalism with partnership, and in returning power and resources to our state capitals.

On issues like welfare, crime, and education, we hope to do more. But we know it won't be easy. President Clinton has said that giving you control will incite a "race to the bottom."

I wonder which states he thinks would participate in such a race. Which states does he believe can not be trusted with welfare, education, and protection of their people?

The truth is that only our states can be trusted with these things. Federal control just hasn't worked. After three decades of experimenting with big government, do our poor have more hope? Are our streets safer? Are our schools providing a better education to our children?

PRESIDENT CLINTON ADDRESSES NATIONAL GOVERNORS' ASSOCIATION ON WELFARE REFORM

Monday, July 31, 1995

Taking another step to implement welfare reform in the face of Congressional delay, President Clinton has approved a series of executive actions to speed state experimentation and move recipients from welfare to work. The President will outline these actions in an address today before the National Governors' Association (NGA) Summer Meeting in Burlington, Vermont.

Fact sheets on these new executive actions are attached.

President Clinton has been on the front-lines of welfare reform since his tenure as Governor of Arkansas and as former head of the National Governors' Association. In June, 1994, the President submitted a comprehensive welfare reform plan to Congress, and in June, 1995, he endorsed the Senate's "Work First" welfare reform plan, co-sponsored by Sen. John Breaux, Sen. Tom Daschle and Sen. Barbara Mikulski. On that day, the President also called on Congress to produce welfare reform legislation by July 4. Despite the President's challenge, Congress has yet to pass a welfare reform plan and debate continues to stall amidst Republican disarray over extreme provisions, such as cutting off teen mothers and other measures.

Today's executive actions follow others taken by the President to get welfare reform moving. To date, the President has approved 36 welfare experiments in 32 states, including four states he will announce today: West Virginia, Utah, Texas and California. These waivers have allowed state and local leaders across the country to begin implementing welfare reform while Washington continues to debate. *A map of those states given the go-ahead by the President to begin implementing welfare reform is attached.*

The President has also taken previous action in the important area of child support enforcement, signing an executive order on February 27, 1995, making the government a model employer in the area of child support enforcement by making it easier to collect child support owed by federal employees. Despite an initial failure to support strengthening child support enforcement, Republicans in Congress have now followed the President's lead to favor tougher measures on deadbeat parents.

The President today addresses the 87th annual meeting of the National Governors' Association. The summer session began on July 29 and ends on August 1. The President will be introduced for his remarks by NGA President Gov. Howard Dean of Vermont.

More Than Half the Nation Enacting Welfare Reform Under the Clinton Administration

The Clinton Administration has approved 36 demonstrations in 32 states, launching welfare reform for thousands of families in more states than the two previous administrations combined. In an average month, the welfare demonstrations cover more than 7 million people, representing approximately 53 percent of all recipients. All of the waivers which we have granted build on the central principles of President Clinton's vision for welfare reform, including:

PRINCIPLE	DESCRIPTION	STATES APPROVED
Work	<i>Twenty-three states</i> are helping people move from welfare to work, from receiving welfare checks to earning paychecks, by increasing education and training opportunities and creating public/private sector partnerships.	23 - Arizona, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Michigan, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Time Limited Cash Assistance	<i>Seventeen states</i> are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.	17 - Arizona, Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Michigan, Missouri, Montana, Nebraska, Oklahoma, South Carolina, South Dakota, Vermont, Virginia, Wisconsin
Child Support Enforcement	<i>Fourteen states</i> are strengthening child support enforcement and sending a clear message that both parents must be responsible for their children.	14 - Arizona, Connecticut, Delaware, Indiana, Michigan, Mississippi, Missouri, Montana, New York, Ohio, Oregon, Vermont, Virginia, Wisconsin
Making Work Pay	<i>Twenty-seven states</i> are providing incentives and encouraging families to work not stay on welfare, so they can achieve and maintain economic self-sufficiency.	27 - Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Parental Responsibility	<i>Twenty-five states</i> are encouraging education, limiting benefits for families who have another child while on AFDC, or taking other measures to promote parental responsibility.	25 - Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Vermont, Virginia, Wisconsin, Wyoming

EXECUTIVE ACTION ON WELFARE REFORM

Today, President Clinton announces bold new measures to help states move people from welfare to work, pressing Congress to act now on bipartisan reform. With these new measures, we're focusing on the centerpiece of real welfare reform: work. Our plan will cut red tape in the waiver process, impose tough new sanctions for failure to work, and put all states on a faster track to ending welfare as we know it.

FAST-TRACK DEMONSTRATION APPROVAL

Currently, most state requests for welfare reform waivers are evaluated by the Department of Health and Human Services within 120 days. Today, President Clinton is simplifying the application process and dramatically cutting this approval time to **30 days** for state projects that meet one or more of the following five strategies for reform. We will allow states to institute new work requirements, backed up with adequate child care for parents to work. In addition, states will be able to impose time limits followed by work, provided they offer jobs to those willing to work. In order to promote parental responsibility and prevent teen pregnancy, states can require minor mothers to live at home and stay in school. States can also make parents pay child support or go to work. Finally, we will allow states to use AFDC and Food Stamp benefits as cash subsidies for private employers to hire welfare recipients. Under all of the approved demonstrations, the administration will ensure that children are protected and adequate accountability measures are in place.

TOUGH NEW SANCTIONS

Under existing rules, when AFDC recipients fail to play by the rules and participate in mandatory work activities, they lose some of their cash benefits. However, their food stamp benefits increase to offset some of this reduction.

President Clinton is now changing federal regulations so that states can impose tougher sanctions on recipients who refuse to work. The Department of Agriculture has drafted new regulations to ensure that AFDC and Food Stamps work together, not at cross purposes with one another. As a result, we're changing the culture of the welfare system to reward those who are trying to move towards self-sufficiency and to send a strong message to those who don't.

A DOWNPAYMENT ON OUR PARTNERSHIP IN WELFARE REFORM

Today, President Clinton also announces that the administration has reached agreement on welfare reform waivers for four more states: West Virginia, Utah, Texas, and California -- bringing the total to 32 states that have now been freed up by this administration to promote work and responsibility without being stifled by one-size-fits-all federal rules.

TODAY'S WELFARE WAIVERS

WEST VIRGINIA

West Virginia's "Joint Opportunities for Independence" (JOIN) program helps adults in two-parent families gain work experience with private employers and provides a travel expense stipend and an income disregard. Employers who provide work experience positions to JOIN participants would pay individuals \$1.00 per hour for work and travel expenses.

The state will provide child care when both parents participate in program activities. Fiscal sanctions will be imposed on families who fail to participate in JOIN.

West Virginia's application was received on April 11, 1995.

UTAH

Today's action extends Utah's "Single Parent Employment Demonstration" project (SPED), which mandates greater participation in work preparation program, allows recipients to retain higher monthly earnings without affecting their welfare cash benefits, and allows a one-time payment for basic or special needs to prevent people from needing to rely on welfare.

Another provision approved today allows a family's AFDC cash benefits to be terminated if, after repeated efforts to encourage compliance and gradual sanctions, parents fail to comply with education, training and work preparation requirements. It also extends transitional services and some Food Stamp benefits from one to two years after leaving AFDC for work.

Utah's waiver request was received May 17, 1995.

TEXAS

"Promoting Child Health in Texas" requires the parents or guardians of children receiving Aid to Families with Dependent Children to show proof of age-appropriate immunizations, or face benefit reductions.

The state is also expanding opportunities for children to receive vaccinations in Department of Human Services' offices.

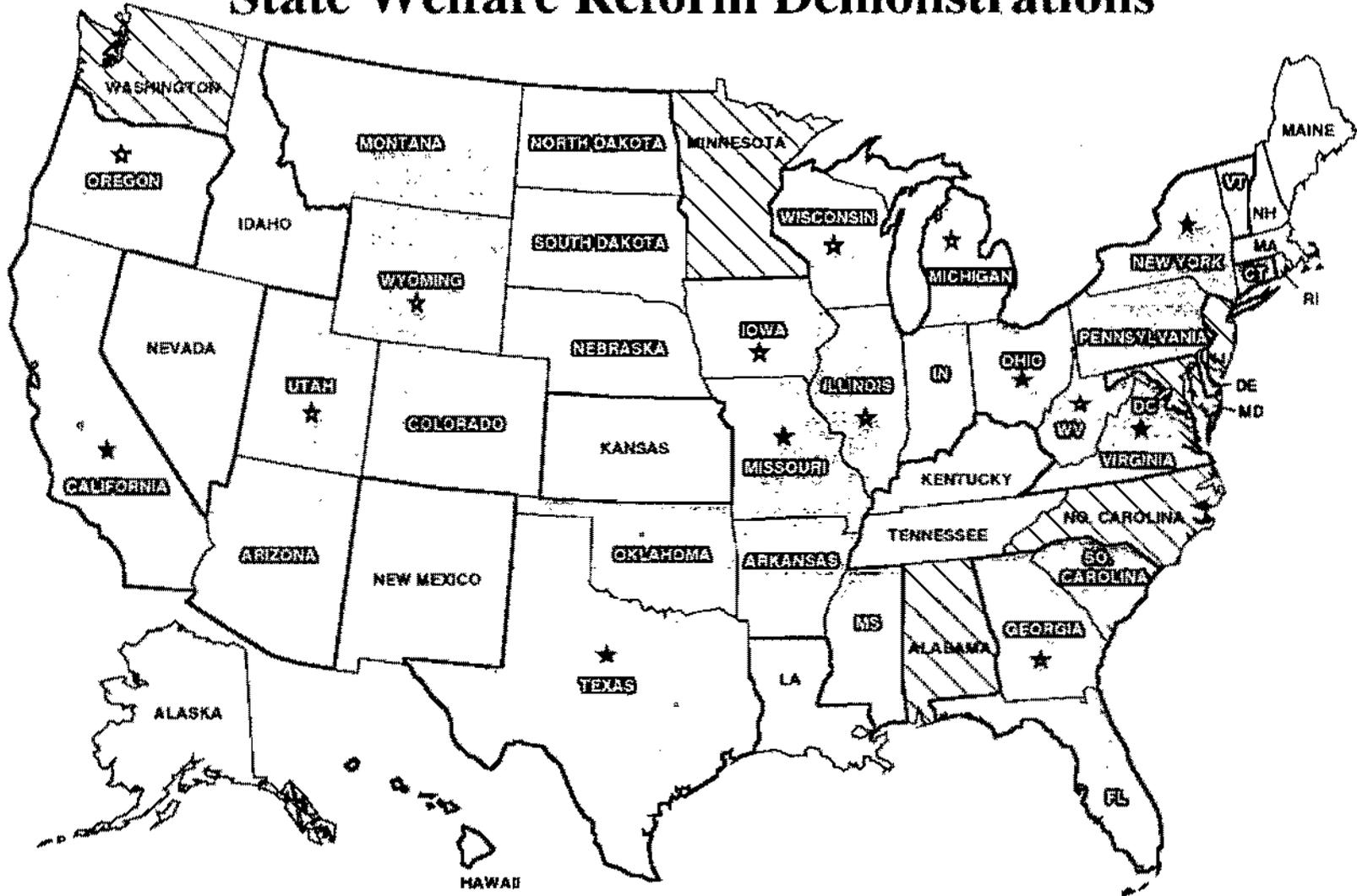
Texas' waiver was received April 11, 1995.

CALIFORNIA

Today, the Clinton administration agreed in principle to California's waiver request to establish a family cap (i.e., no increase in benefits due to the birth of a child conceived while a family is receiving AFDC) and its California Incentives to Self-Sufficiency Project, which will provide transitional benefits for families that become ineligible for AFDC due to marriage. The demonstration will also include a mandatory community work experience program and a set of provisions to combat fraud.

California originally requested two submissions which HHS and the state have agreed to combine into one waiver.

State Welfare Reform Demonstrations



□ Clinton Administration

▨ Previous Administrations

★ Demonstration Also Approved in Previous Administrations

WELFARE REFORM

1. With the actions taken today by the President will he end welfare as we know it?

For those individuals who are moved from the welfare rolls to the job rolls the answer is yes. For those mothers who will begin to collect child support so they are not forced to stay on welfare the answer is yes.

These actions by the President bring us a step closer, but what we need is true bipartisan welfare reform that places work at the center of any reform.

2. Will any state or Governor participate?

Thirty-two states already have. It is an invitation for the other states to reform as quickly as possible. Remember this administration has initiated more welfare reform experiments than the past two administrations combined. The President wants to continue and accelerate this process to make welfare reform a reality.

3. Will these actions undermine the legislative process or Congress?

No. Hopefully, it will prod Congress to get moving and to move beyond the ideological gridlock to pass true bipartisan welfare reform. For too long Congress and welfare reform have been held hostage to ideological and political bickering.

4. Many welfare waivers have taken 120 days, if not longer. How can the Governors have any confidence that this new process will work?

The Clinton administration has signed and approved 32 state welfare experiment proposals more than the two previous administrations combined. We have not stood still while welfare reform stalled in legislative and political gamesmanship. This administration has a proven track record to move welfare reform forward and will pursue welfare reform at every level.

5. Because of these four areas you have presented aren't you really trying to micro-manage welfare reform?

No. The four principles the President outlined in his speech are at the core of his welfare reform proposal and are at the center of each state welfare reform proposal regardless of party affiliation. The President fundamentally believes that each Governor and every state can learn from each other on how to succeed in moving people from welfare to work.

6. Why would any Governor take the President up on his offer when they can get a bill from Congress?

32 states already have taken the President up on achieving true welfare reform in their state.

There is no guarantee, as we have seen, that this Congress will pass any welfare reform legislation. Sen. Gramm has said that he would filibuster the Dole-Packwood Bill. We hope to achieve true bipartisan welfare reform. It will be difficult but we think we can get it done. In the meantime we want to build on the success we have already accomplished in 32 states.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, this bill was ordered to be printed in the RECORD, as follows:

SECTION 1.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN HEALTH CARE DEDUCTION OF EMPLOYERS FAILING TO SHOW COMMITMENT TO PROVIDING HEALTH CARE TO EMPLOYEES.

(a) IN GENERAL.—Section 162 of the Internal Revenue Code of 1986 (relating to deduction for trade or business expenses) is amended by redesignating subsection (c) as subsection (p) and by inserting after subsection (n) the following new subsection:

“(c) REDUCTION IN CERTAIN HEALTH CARE DEDUCTIONS OF EMPLOYERS.—

(1) IN GENERAL.—Notwithstanding any other provision of this chapter, if—

(A) an employer provided medical care to its retired employees and their spouses and dependents during the 10-year period ending on December 31, 1983, and

(B) the employer does not provide that medical care for any period after December 31, 1988,

the amount allowable as a deduction under this chapter for expenses incurred in providing medical care to officers and employees of the employer (and their spouses and dependents) during the period described in subparagraph (B) shall not exceed 25 percent of the amount of the deduction without regard to this subsection.

(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

(A) MEDICAL CARE.—The term ‘medical care’ has the meaning given such term by section 162(d)(1).

(B) FAILURE TO PROVIDE MEDICAL CARE.—For purposes of paragraph (1)(B), an employer shall be treated as failing to provide medical care for any period if there is a substantial reduction in the level of medical care provided during the period from the level provided on December 31, 1983.

(C) PARTIALITY.—For purposes of paragraph (1)(A), an employer shall be treated as having provided any medical care which any predecessor of the employer provided.

(D) CONTROLLED GROUP.—All employers who are treated as one employer under subsection (a) or (b) of section 162 shall be treated as one employer for purposes of this subsection.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to periods beginning on and after January 1, 1984, in taxable years ending after such date.

By Mr. MOYNIHAN:

S. 628. A bill to enable each State to assist applicants and recipients of aid to families with dependent children in providing for the economic well-being of their children, to allow States to test new ways to improve the welfare system, and for other purposes: to the Committee on Finance.

THE FAMILY SUPPORT ACT OF 1988

Mr. MOYNIHAN, Mr. President, I rise for the purpose of introducing the Family Support Act of 1988. Senators who have been following the subject of welfare policy will recognize this as a successor to the Family Support Act of 1983, which was adopted in this Chamber just this side of 7 years ago, on September 29, 1983, by a vote of 96 to 1. I

was the manager on our side and recall very specifically the atmosphere of the occasion: we knew this bill, from a unanimous Senate, was going out the door to the House of Representatives where it would be received and treated in much the same manner, only there, after to go to the White House where President Reagan, having helped shape the legislation would welcome it, sign it. He would sign what he called ‘this landmark legislation’ in the company of such great Senators still in this body as our hugely respected majority leader, Senator Dole, my revered colleague, now chairman of the Finance Committee, Senator RANKIN, our former colleague, subsequently Secretary of the Treasury, Lloyd BENTLEY, as well as Members of the House of Representatives.

It was a grand moment in the Rose Garden. President Reagan said that Congress and those particularly active on this measure would be remembered for accomplishing what many have attempted but no one had achieved in several decades, ‘a meaningful reformation of our welfare system.’

It will seem unimaginable to us today, but the Family Support Act of 1983 was not a partisan political measure. There in the Rose Garden was Senator DOLE, Senator BENTLEY, the Speaker was there, Mr. Foley, Mr. Michel, the minority leader representing the Republicans. The chairman of the Governors Association of the United States, William Jefferson Clinton, was there, having been a zealous energetic advocate on behalf of the Governors. And with him his then colleague, as Governor of Delaware, the Honorable MIKE CASTLE, now Representative from the State of Delaware in the House of Representatives. Democrat and Republican alike, joining in a near unanimous measure to do what needed doing, a good 50 years, a good half century into the experience with what we have called welfare, under the Social Security Act of 1935.

We redefined the statute to bring it in line with a new reality. The original Social Security Act of 1935 adopted in the midst of the Depression provided for aid to dependent children. Basically, it represented the Federal Government picking up the widows’ pensions which had been adopted in almost half the States by this point. But those States were under severe economic stress in that Great Depression; the Federal Government assumed the responsibility for the children. In 1939 the mother of the family was included, as well so it became Aid to Families with Dependent Children. And it was expected to be a bridge, very similar to Old Age Assistance, which would last until Social Security having matured, widows with their children were entitled to survivors insurance—Old Age and Survivors Insurance [OASI].

Indeed, that has happened. I think it is the case that only 71 percent of the recipients of Social Security benefits are in fact retired adults. The rest are

indeed, survivors and dependent children. But then something new happened. Family structure began to change in our country. It is not the most comfortable subject to deal with, but it is a necessary one, Mr. President, and we have become more open about it. In fact, it is President Clinton who now speaks of this. He spoke to us about this in a joint session of the Congress. We now have a rate of births of children in single-parent families that has reached 33 percent. At the time the Social Security Act was enacted it was probably 4 percent. Our first hard number is 4 percent in 1949.

We are not alone in this. The same phenomenon has taken place in the United Kingdom, in France, in Canada. We find it difficult to explain. Our other neighbors, as it were, find it difficult to explain. But we cannot doubt the reality.

In 1983, for example, the ratio in New York City had risen to 45 percent, approaching half. It may be at that point now. Because we observe a regular rise, year after year, at a very steady rate of about 0.25 percent a year. There has not been one year since 1970 in which the ratio has not risen.

One of the consequences has been the rise in the number of cases of families receiving Aid to Dependent Children. There was a sharp rise in the late 1960's. It reached a certain plateau in the 1970's, which we think to be—do not know but think to be—a matter of demography. The childbearing population was flat or even declined a little bit. Then, starting in 1980 it begins a very pronounced rise. We go from 2.5 million to almost 3 million in 4 years. It is dropping just a little bit now, but we anticipate an increase in the population of childbearing age such that we have every reason to think there will be an increase in this category. And we knew those things in 1983. And we knew we had to do something quite different. We had to redefine welfare. It was no longer a widow's pension.

I have the great honor to know Frances Perkins, the Secretary of Labor, who had been chairman of the Committee on Economic Security that invented the program to President Roosevelt, and she would describe a typical recipient—this is 1962, 1963—as a West Virginia miner's widow.

Miners' women did not work in coal mines, and widows were not expected to do such things in any event. It was a permanent condition. Suddenly we found a population of young persons with very young children who were dependent but ought not to remain so. It is not fair to them, it is not fair to their children, it is not fair to the society that is maintaining them. So the Family Support Act of 1983, the first such act, said we will make a contract. We will say that society has a responsibility to help dependent families become independent, and they in turn have a responsibility to help themselves—a mutual responsibility.

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We started the JOBS Program, the Job Opportunities and Basic Skills Program. We said we will expect people to work. Well, of course, I have here a button from one of the JOBS programs in Riverside, CA. We had testimony in the Finance Committee just a while ago. It is a wonderful button. The director is an enthusiastic man. The button says, "Life Works if You Work." He is right. And there is nothing wrong with that. Twenty years ago such ideas would possibly have been thought of as punitive, possibly stigmatizing. We are well beyond that in large part because of the JOBS Program.

There is no doubt that we passed this legislation because States had begun to innovate. These innovations seemed promising, and the Manpower Development Research Corp. based in New York City could measure results. And these innovations went right across the political spectrum. Governor Dukakis, a liberal Democratic Governor of Massachusetts, and Governor Deukmejian, a conservative Republican Governor of California, adopted very similar ideas—got people ready to work, get them thinking they can do it, and get them out of the house and into the mainstream.

We based our program on those experiments that had taken place. We very carefully said we are going to work on the hardest cases, not the easiest ones.

If I can say, Mr. President, at the risk of being a little too statistical, the population of the AFDC cases is what statisticians call bimodal. A little less than half, about 40, 45 percent are mature women whose marriages have broken up, or they are separated, or divorced. They will come into this arrangement for a brief period and they go off on their own. They organize their lives as people do, and the research is very clear on that. You can do all the effort you want with such people. They do not need your help, thanks very much. They just need some income support for a period until they get their other affairs in shape on their own. But slightly more than half are young people with no marriage, no job experience or little, often in settings where they are surrounded by such persons.

Mr. President, may I ask if I can continue in morning business, there being no other Senator seeking recognition?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Thank you, Mr. President.

So we launched this program. Having been involved with this subject for 30 years and more, may I say one recognizes in the State governments enormous creativity. There is scarcely a day or week that you do not read of some new program in one State or another.

I believe it was Monday evening on one of the evening news programs. It was NBC. It was Lisa Myers interviewing persons in Connecticut including

the Governor where a very bold set of ideas has been developed around the principles of the Family Support Act of 1981. You are in here, it is a temporary arrangement, we are going to help you get out of this. We realized what obstacles we had inadvertently put in place to becoming free of welfare. In 1985 we enacted Medicare and Medicaid. No than a welfare mother had health care for her children, full, free health care. The minute she left welfare she lost it. Many mothers are going to think twice about that, particularly if a child has a health condition that is chronic and requires care. It would be unfair to the child to deprive him or her of that care. We said we will give you a year on Medicaid after you leave the rolls, as the term was. We will give a year of child care. We will help you along in this.

States are innovating all the time. Up in Connecticut they are saying, "Remember, you only have"—as I believe it was—"30 months. In the meantime any job you get you keep it."

That is the kind of waiver which we anticipated in the legislation, bipartisan and unanimous legislation, and the Clinton administration and Secretary Shalala have been very good about getting these things up and out. Not fast enough, a problem addressed by the legislation I introduce today. We say a waiver decision will be handed down in 90 days. The presumption is the States know what they are doing, and we want them to try it.

This morning the front page of the Washington Post has a story, "Virginia Suburbs To Test Allan Welfare Plan. Area Has Eleven Months to Adopt Changes. Find Thousands Work."

Work. "Life Works if You Work." We are not afraid of that. We wanted that. We encouraged that. That is what the legislation did. Governor Allen, a Republican Governor. The article says:

That means one of the country's boldest welfare plans will unfold in the back yard of its top leaders, virtually guaranteeing the attention of Congress and the White House as they shape national policy.

"Virginia is again making history," said Allen, a Republican. "It is the most sweeping and I think, the most compassionate welfare reform plan anywhere in the nation."

This is taking place under the Family Support Act of 1981. And it is being paid for by the Federal matching funds and the guaranteed matching support for children. There is something very important there that might easily have been missed in that statement. I will say it again.

Governor Allen says, "Virginia is again making history. It is the most sweeping and, I think, the most compassionate welfare reform plan anywhere in the nation."

A welfare reform designed to say to people you have got to go to work, you have a set time where you have to get yourself together, and we will help you to get on your way.

Years ago no one would have described such an effort as compassionate. Indeed, I have been through

these matters and I can say to you the slightest suggestion that work might be appropriate for welfare recipients was described as punitive, and those who suggested it said, "No, no, no. There is no such intention." Now, openly, Governors will say, if you care about your fellow citizens, you have to help them get out of the debilitating and unfair situation.

And that is what we do. That is what we can do more of. The bill I introduce today will provide an additional \$3 billion over 5 years with every penny paid for, every penny provided through closing tax loopholes, refining the Supplementary Security Income program. I had a hand in the proposals under President Nixon that led to SSI as we called it. It was intended to deal with the problem of adults who could not work, the permanent, totally disabled, and such like. We close loopholes such as that egregious practice we have come upon of American citizens renouncing their citizenship in order to avoid their taxes. There will be no more of that. The chairman of the Finance Committee, Mr. PACKWOOD, and I agreed as of the day this issue was brought up you cannot do it anymore. This bill will provide funds for that purpose and other such matters. We are not adding a penny to the deficit. I would not dare, particularly with that most formidable and knowledgeable chairman of the Budget Committee in the Chamber. We pay for this provision for women and children to help them pay for themselves.

Mr. DOMENICI. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield for a question.

Mr. DOMENICI. I was just passing through. I was not going to even pass on the Senator's eloquence or arguments, but since the Senator mentioned my name, I ask that the Senator particularly use his good head during the next 5 or 6 days and help us get a balanced budget.

Mr. MOYNIHAN. I will most assuredly help the Senator do that, and we want to balance the budget for the children of America, too, and we have it here and we are going to pay for it.

If the distinguished chairman could just let me point out, in the midst of the Depression of the 1930's, we could provide for dependant children as a Federal responsibility. In the 1930's, when we have a \$7 trillion economy, it has been proposed to take that away.

Look at what we have done to our children. The average benefit, in 1985 dollars, two decades ago was \$600. It is down to \$360. That is not the social policy the chairman of the Budget Committee is associated with and not the one with which I think this Senate should wish itself to be associated.

I thank my friend.

Mr. DOMENICI. I thank the Senator. Let me just mention, however—and the Senator would agree—since the early days of that program to help our poor children, we have, indeed, passed more

EXECUTIVE OFFICE OF THE PRESIDENT

30-Jul-1995 11:29pm

TO: Bruce N. Reed
FROM: Carol H. Rasco
Economic and Domestic Policy
SUBJECT: Latest from Vermont

1. Vermont Medicaid Waiver: I have told Jeremy you will work it into the first part of speech as the Intergovernmental people wish but that he is to double check again with HHS to make sure that (a) it is indeed ready to go and (b) that Monahan or someone from HHS will do the official notification prior to POTUS' arrival.

2. Massachusetts: Intergovernmental folks from WH are adamant that we not say anything in speech about it...they say Weld is not saying things there about it, that the BOSTON GLOBE today reported on plenty of other things that he is trashing the admin. about right now, and therefore they don't think Weld deserves to have this said. I told Jeremy that (a) POTUS is adamant about this at this point and (b) POTUS will say the trashing Weld is doing will just multiply after the speech when he doesn't get his waiver. I told JBA that I would relay all this to you and that you could share it with POTUS tomorrow but that we should be prepared for POTUS to mention it and/or they (Marsha and company) should be prepared to further make their case when POTUS arrives.

Finally, I have told Jeremy that IF it is decided upon that Mass. will be mentioned in the speech there MUST be a notification of some kind to both Mass. AND Mary Jo who will be on the phone still with Jerry more than likely. Maybe the POTUS will be happy with the Donna letter but right now I would say he wants to mention it. The WORST thing that could happen is for you all to think he is NOT going to say it and then he does...tell him there MUST be a firm decision made in advance so that proper notifications can be made.

3. Monahan will deliver the signed letters he has that are dated Saturday to states we are mentioning as receiving waivers. I will make sure that this includes a call to California if indeed Wilson is not in Vermont.

Finally, Romer is apparently now switching from trying to get welfare reform solved and trying to get the Dems to agree on a

medicaid number that is far closer to Repub. number than our number. I have asked Jeremy to notify Caperton (who is presiding over DGA events including the breakfast in the a.m. due to Carnahan not being there because of family illness or crisis) that we do not want any number agreed to until (a) after the speech and (b) even more important, no number should be agreed to until after HHS can talk this through with Romer and others. I am trying to reach Romer. You should alert POTUS to this, I'll check on matter at 7:30 a.m. and let you know if I learn anything further.

Thanks, keep me if anything I can do.

While I was on another line at home a little while ago Jeremy called from the Taste of Vermont party where he had the troops assembled. He said on a voice mail:

- a. Their assessment is that Vermont medicaid waiver acknowledgement should be done at top of speech.
- b. They are all quite concerned that POTUS is so determined to talk about Mass. waiver.
- c. Monahan wanted to know if I wanted HHS to notify the four states getting waivers BEFORE POTUS speaks....gad, where is that Dept.'s brain (I won't even give them the benefit of Brains.....)?????? I've stressed all along how it is WRONG to make it look like POTUS is the first announcement!

Anyway, Jeremy said he was going to call me back when they return from the party....Can you tell me whether I should send fax to your house or call you when I know something more? Or do you just want me to contact you in the a.m. and if that is the case where and when and how? I want to do what is least disruptive to little children and their weary parents! You are welcome to call my house and give me answer or shoot me a faxed note at home. Fax is staying pretty busy tonight working on a speech I give on Thursday in Tenn. on children. Could possibly be another hour or more before he calls me back. Thanks.

I have told him you are crafting speech insertions about Mass. and on immunization for Tex. waiver.

He is aware that you all will hear on plane or upon arrival summary of Dole speech as he was worried about whether Dole would speak first or after him.

I have told him about press materials summarizing the waivers, etc. He was very pleased to hear all that...make sure you have it on plane to show him in case he asks.

Jeremy is consulting with HHS folks and our intergovernmental folks in Vermont about best way to handle Vermont Medicaid waiver announcement which POTUS wants to do. Hopefully I will know something about that tonight or early in a.m. Will call or fax you if I learn anything.

Thanks!

draft 7/29/95

**REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995**

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; Madeline Kunin, Deputy Sec., Education and former Governor of Vermont; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

I share Governor Dean's sense of urgency about our children. In fact, I ran for President because I wanted to ensure a better future for our children. I did not want my daughter to be a part of the first generation of Americans to do worse than their parents. I also did not want to be a passive spectator at the funeral of our core American values: work and responsibility, community and family. So I took office to do two things: first, to expand opportunity and demand responsibility from every citizen. And secondly, to bring this country together again through a recommitment to the shared values that have made us great. And I have realized something during the course of this journey. You can't do one without the other. We must all pull together to rebuild the American Dream.

That's why, for the past two-and-a-half years, I have sought common ground with the American people about the needs of children and families. We've worked hard to give hard-working families the help they need to make the most of their God-given potential -- and to give their children a good start in life.

The Earned Income Tax Credit now provides an average tax deduction of about \$1350 for working families with children with incomes below \$28,000. The Family and Medical Leave Law now helps more people be good parents and successful workers. The crime bill we enacted protects our children with 100,000 more police officers on the street and prevention programs that give our young people something to say yes to. We've expanded Head Start and made historic strides in education reform with efforts like Goals 2000, direct student loans, and our national service program, AmeriCorps.

So, we have done a lot to improve the quality of life for children and families. But, there is one thing we have not been able to do -- pass comprehensive welfare reform. The American people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus to do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that this would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there joined me in letting Congress know that tough child support enforcement should be the law of the land.

So, why has the Congress failed to act? Unfortunately, in recent days, ideological in-fighting has stalled progress on welfare reform. Some on the far right have held welfare reform hostage because they want to punish children whose parents are poor, young, and unmarried. That's wrong. There isn't a governor in either party who thinks that mandating every state to throw kids off the rolls is a good idea. Instead of punishing children for their parents' mistakes, we should require teen mothers to live at home, stay in school, and turn their lives around. Welfare reform isn't about just cutting people off. We will only succeed if we move people from welfare to work.

We shouldn't just shift the welfare problem to the states without giving you the resources to solve it. I am a firm believer in more state flexibility and tougher work requirements. But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money.

Let me give you just one example. Instead of providing states with resources for the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because

they can't find child care.

And, as we give states more flexibility, we should make sure that states continue to fulfill their responsibilities. Some in Congress would provide no incentives or requirements for states to maintain their own funding for cash assistance, child care, and supports for work. There is a serious danger that some states will "race to the bottom." It is always much cheaper to simply cut people off than to move them to work. Welfare reform should not be a race to the bottom. It should be a race to independence.

There is a better way. The Senate has before it a good bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work. That's real welfare reform and we should reach across party lines to pass it.

I will not let welfare fall victim to "just say no" politics in Washington. I've worked on this issue for most of my public career, and so have many of you. It's time for Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill without further delay. The American people have waited long enough.

You and I have been working hard to move the ball forward. We're collecting child support at a record level from delinquent parents, and earlier this year I signed an executive order to crack down on federal employees who owe child support. We could move 800,000 people off welfare tomorrow if parents paid the support they should.

In the last two-and-a-half years, my Administration has approved experiments for 29 states to reform welfare their way. The very first welfare experiment we approved was for Governor Dean to put in place time limits that make it clear here in Vermont that welfare is a second chance, not a way of life. We cut through red-tape so that Governor Thompson could send the same message in Wisconsin.

After intensive study, I have decided that the executive power of my office will permit me to take a number of highly significant steps, many through using waivers, to permit us to bring to the American people the kinds of substantive welfare reform they seek. My simple message today is that while we all press for Congress to act, it's time for me as President and you as Governors to build on the progress we have made and bring welfare reform to every state.

Many states are already demonstrating new welfare reforms that promote work and protect children. All states should be able to

try out similar changes. Therefore, I am directing the Secretary of Health and Human Services to approve reforms you want to make in your welfare system if they promote work and protect children through any one or more of five strategies I am outlining today. Send us a welfare reform demonstration that incorporates these strategies and we will put it on a fast track. Here are the kinds of things that all of us, without regard to party, believe are at the core of real welfare reform.

One: America longs for the day when every single able-bodied person on welfare works. We want this because we want welfare to be an experience in work, not in dependency. I want every welfare recipient who can to get up in the morning, work all day, and come home at night. And I want them to have adequate child care to permit them to do this. So, any state that does what Delaware does -- require people on welfare to work will get approval to do it.

Two: Most Americans agree that welfare cannot become a permanent state of life. It should be for people who are down on their luck and need temporary support and help getting back on their feet. Unfortunately, most Americans agree that too often some people abuse the temporary respite of welfare and stay on the dole forever. This must end. So, any state that does what Florida did and requires that every welfare recipient leave the welfare rolls after a set number of years and offers to provide a job if they can't find a job, will get approval. By the way, if the welfare recipient turns that job down, they should be tossed from welfare. And that one sure has my support.

Three: Before we ask taxpayers in California or New York or Florida or anywhere else in the United States to pay welfare to the mothers of dependent children -- we should go after the fathers. So, any state that does what states like Michigan do -- require fathers to pay child support or go to work, will get my support.

Four: Too often, teen motherhood is the ticket to premature independence in life for very young girls. With the baby comes the right and the money to leave school, stop working, and set up a new household. Independence needs to be earned by work. So, if any state wants to do what Vermont did and require underage mothers on welfare to live at home and stay in school, it will have my support and approval right away.

Fifth: Let's privatize welfare. Let's take all the welfare money and all the food stamp money and pay it to a company if they hire the welfare recipient to work. Let these cash payments be a wage subsidy to employers to encourage them to hire people on welfare. Ohio, Mississippi and Oregon have had the courage, the wisdom, and the foresight to do just that. And I challenge the rest of you to follow in their footsteps.

SOUND BITE:

So I say to you today, go back to your states and pass laws like the ones I've named that require people on welfare to work, that cut off benefits after a time limit for those who won't work, that make teen mothers live at home and go to school, that make parents pay child support or go to work, and that use welfare benefits as a wage supplement for private employers who give people on welfare jobs. Pass it. Sign it. Send it to us. We'll approve it in 30 days and then we will have real welfare reform, even as Congress still debates the bill.

The second executive action I am taking today is to set a tough, new benchmark for states that is based on the one measure that really matters -- how many people you put to work. One of the ironies of the current rules is that states get credit for people who sign-up for a training program, but they don't get credit for people who are actually working. That's crazy. Starting October 1, when current rules expire, we're going to start measuring success the right way. With this new benchmark, we can double the work participation goal from 20 percent to 40 percent.

Third, I am directing the Office of Management and Budget to approve a change in federal regulations so that states can impose tougher sanctions on recipients who refuse to work. Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, that person's food stamp benefit goes up, so it turns out to be not much of a sanction at all. If we're going to move people from welfare to work, we have to change the culture of the welfare system to reward people who take responsibility for their lives and not let them off the hook if they don't.

Finally, as another downpayment on our commitment to our partnership with you on welfare reform, today my Administration has reached agreement on welfare reform waivers for four states: West Virginia, Utah, Texas, and California. We are also announcing food stamp waivers for Delaware and Virginia. That means that a total of 32 states have now been freed up to promote work and responsibility without being stifled by Washington one-size-fits-all rules.

None of this is a replacement for bold Congressional action. Rather, I hope these steps will spur the Congress to get off the dime. Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed.

I ran for President to bring new opportunity to the American

people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a responsibility to bring real change to Washington.

I hope Congress will act, and soon. But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

More Than Half the Nation Enacting Welfare Reform Under the Clinton Administration

The Clinton Administration has approved 36 demonstrations in 32 states, launching welfare reform for thousands of families in more states than the two previous administrations combined. In an average month, the welfare demonstrations cover more than 7 million people, representing approximately 53 percent of all recipients. All of the waivers which we have granted build on the central principles of President Clinton's vision for welfare reform, including:

PRINCIPLE	DESCRIPTION	STATES APPROVED
Work	<i>Twenty-three states</i> are helping people move from welfare to work, from receiving welfare checks to earning paychecks, by increasing education and training opportunities and creating public/private sector partnerships.	23 - Arizona, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Michigan, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Time Limited Cash Assistance	<i>Seventeen states</i> are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.	17 - Arizona, Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Michigan, Missouri, Montana, Nebraska, Oklahoma, South Carolina, South Dakota, Vermont, Virginia, Wisconsin
Child Support Enforcement	<i>Fourteen states</i> are strengthening child support enforcement and sending a clear message that both parents must be responsible for their children.	14 - Arizona, Connecticut, Delaware, Indiana, Michigan, Mississippi, Missouri, Montana, New York, Ohio, Oregon, Vermont, Virginia, Wisconsin
Making Work Pay	<i>Twenty-seven states</i> are providing incentives and encouraging families to work not stay on welfare, so they can achieve and maintain economic self-sufficiency.	27 - Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Parental Responsibility	<i>Twenty-five states</i> are encouraging education, limiting benefits for families who have another child while on AFDC, or taking other measures to promote parental responsibility.	25 - Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Vermont, Virginia, Wisconsin, Wyoming

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TALKING POINTS: MASSACHUSETTS WAIVER

The Administration strongly supports state flexibility in testing new approaches to welfare reform that promote work and protect children, including approaches that require work and that time-limit welfare.

Massachusetts' welfare reform demonstration has many innovative features that the Administration supports. Massachusetts and the Administration have come to agreement about most major components, including work requirements, paternity establishment, and requirements and services for teen parents.

We continue to believe that all issues can be resolved within the 120 day review period.

One central issue remains to be resolved with Massachusetts before its demonstration can be approved: how time limits will be structured in order to provide adequate protections to children and to treat people fairly who play by the rules.

The Administration believes that in order to protect children, time limits must be followed by work, or that extensions of time limits must be assured to those who play by the rules and who, through no fault of their own, fail to secure employment or lose a job.

Massachusetts has proposed a time limit that would be absolute, except in exceptional circumstances that would be decided on a case by case basis by the Commissioner or his designate.

We have been able to resolve similar issues successfully with governors of both parties.

Our staffs should continue to work together to come to an agreement that reflects the principles of work, responsibility and the protection of children.

BACKGROUND: MASSACHUSETTS WAIVER

1. HHS basic position on all time limit waivers is that time limits must be followed by work, or alternatively must be extended, in some way, for recipients who have fulfilled all of the program requirements and have made a good faith effort to find a job but have either not been able to find or have lost a job. A state may adopt any procedures it wants to assure that a person accepts a job that is offered, that the person is genuinely looking for a job and that a job is not available; such as supervised job search and requiring proof of a certain number of employer contacts each week.
2. All states have agreed to either provide work after the time limit or to grant extensions in this situation and/or to require community service while the person is looking for employment.
3. We have also required that the job or jobs provide the equivalent of the AFDC benefit; an individual could be required to combine several part time jobs if they were available.
4. Massachusetts wants a time limit that would be absolute, except in exceptional circumstances that would be determined on a case by case basis by the Commissioner or his designate. They gave as an example a situation of a recipient who was raped just at the point that the time limit expired and needed some extra time to deal with the consequences of this.
5. In negotiations on Friday, they did propose to grant automatic extensions in one situation, i.e., if the recipient lives in a county that had a 10% or more unemployment rate for the past two quarters. They saw the unemployment rate as an indicator that many recipients might not be able to find jobs.
6. Beyond this, they expressed the view that it was not possible to confirm that the recipient could not find a job. Moreover, they indicated even if some recipients cannot find a job, the state should not have an obligation to provide for them.
7. By Friday, Massachusetts and HHS had reached agreement on all other major issues, including those related to work requirements, paternity establishment and requirements and services for teen parents. While negotiations ended on Friday with a commitment to talk further about the time limit issue on Monday, Governor Weld clearly is hoping that he will persuade the President to accept the waiver on his terms. We believe that they will not negotiate seriously on this final issue unless the President stands firm on the principles.
8. Especially in light of the proposal that will be presented in the speech, we believe it is critical that the President tell Governor Weld that protecting families that cannot find work is a bottom line principle of the administration and that the state should continue working with HHS. Maintaining this principle is critical to the viability of the waiver process and to the Democratic legislative strategy for welfare reform.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUL 29 1995

The Honorable William F. Weld
Governor
Commonwealth of Massachusetts
Statehouse
Boston, Massachusetts 02133

Dear Governor Weld:

Thank you for your letter of July 21, 1995 regarding the Massachusetts welfare reform demonstration proposal and seeking an early approval of your waiver request.

As you know, the President and I strongly support state flexibility in testing new approaches to welfare reform. We support tough but fair welfare reform in which time limits and strengthened work requirements serve as incentives to work, and the services necessary to encourage and support work, such as child care, are provided. Certainly, anyone who can work should work. Anyone who refuses to look for work or accept a job should not receive assistance. But this approach, in our view, also requires fair treatment for those who play by the rules and who, through no fault of their own, fail to secure employment or lose a job.

It is my understanding that the central issue that remains to be resolved relates to the structure of the time limits. In approving numerous demonstration proposals in every part of the country, we continue to adhere to the principles that, under time-limited welfare, children should be adequately protected and adults who are making a good-faith effort to work should not be penalized. Time limits must be designed in a way that assures these principles.

In the past, we have been able to resolve similar issues successfully with governors of both parties seeking to implement welfare reform. It is my hope that we can proceed in the spirit of cooperation that marked the discussion leading to approval of the Massachusetts Medicaid waiver and that has characterized our approval of 33 welfare reform demonstrations in 29 states. I know that both our staffs will continue to work diligently and expeditiously to address remaining issues. Upon their resolution, the Department of Health and Human Services will move quickly to issue a final decision on your request.

Again, thank you for your letter.

Sincerely,


Donna E. Shalala



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D. C. 20201

JUL 29 1995

The Honorable Pete Wilson
Governor
State Capitol
Sacramento, California 95814

Dear Governor Wilson:

I am writing to give you an update on the status of California's pending welfare waiver requests.

As you know, California has five waiver requests before us. On one of them, the state has asked us not to take any action. On another, we sent the state draft terms and conditions in February 1995 and have not received a response. With respect to the third and fourth requests, the state has recently asked that they be restructured into a set of amendments to one of the ongoing California demonstrations. These proposals would put in place a family cap on all recipients, implement a "welfare" program, mandate community work experience, and institute a set of provisions dealing with fraud. As you know, our staffs have been resolving technical problems related to the consolidation and evaluation of these proposals. We will be sending terms and conditions to the state next week and intend to come to closure on this set of proposals as soon as the state responds.

California's final request is for a waiver of Section 1902(c) of the Social Security Act in connection with its proposed Assistance Payments Demonstration Project (California Work Pays Demonstration Project). The state has requested this waiver to facilitate its proposed test of the effects of reduced AFDC benefit payments on the employment activity of recipients and on welfare caseloads. A previous waiver of this provision granted by this Department in 1992 was vacated by the United States Federal District Court pursuant to the order of the U.S. Court of Appeals in the case of Beno v. Shalala.

We are currently awaiting receipt of material that the state indicated would be received by us around August 1. When we receive these materials, we will be able to complete our review of this request. The Department has taken great care to review the state's request for a Medicaid maintenance of effort waiver in a manner that comports with the Beno court's decision. Such attention protects the interests of the state as well as the Administration's ability to support state experimentation.

Finally, I must clarify the record with respect to your letter to me of July 14, 1995. Your letter mentions that "the Department submitted 1,300 pages of documents to California, attacking our reforms, from taxpayer-funded legal advocates." Just to set the record straight, this material was provided in response to a direct request from California Department of Social Services (DSS). In addition, the letter from the Western Center

The Honorable Pete Wilson - Page 2

on Law and Poverty, which was attached to the Department's May 23 letter, and to which you took objection, had earlier been requested by DSS staff.

As you know, President Clinton is strongly committed to reforming the welfare system to enable people to become self-sufficient. This Department looks forward to working with you as you test ways of achieving this shared goal. If you have any questions, please do not hesitate to contact me.

Sincerely,



Donna E. Shaiala

QUESTIONS AND ANSWERS ON EXECUTIVE ACTION

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Q: Is this executive action a substitute for Congressional welfare reform legislation?

A: Absolutely not. We hope these steps will spur Congress to get off the dime. Congress still must pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support laws, and gives states the tools they need to succeed. Congress must move beyond ideological gridlock and create a strong bipartisan bill without further delay.

Q: What about this fast-track approval process? Are there any criteria states must meet in order to gain fast-track approval?

A: Currently, most state requests for welfare reform waivers are evaluated by the Department of Health and Human Services within 120 days. Today, President Clinton is simplifying the application process and dramatically cutting this approval time to 30 days for state projects that meet one or more of the following five strategies for reform. We will allow states to institute new work requirements, backed up with adequate child care for parents to work. In addition, states will be able to impose time limits followed by work, provided they offer jobs to those willing to work. In order to promote parental responsibility and prevent teen pregnancy, states can require minor mothers to live at home and stay in school. States can also make parents pay child support or go to work. Finally, we will allow states to use AFDC and Food Stamp benefits as cash subsidies for private employers to hire welfare recipients. Under all of the approved demonstrations, the administration will ensure that children are protected and adequate accountability measures are in place.

Q: By listing these five strategies, aren't you really trying to micromanage welfare reform?

A: No. The five principles the President outlined in his speech are at the core of his own welfare reform proposal and at the center of each state welfare reform project, regardless of party affiliation. The President firmly believes that each governor and state can learn from one another on how to succeed in moving people from welfare to work.

Q: How many states are already meeting the current 20 percent work participation requirement?

A: We won't know until the fiscal year ends on October 1, but based on data from previous years, we know that most states are doing pretty well. We'll continue to work with the few states that might have trouble in meeting the participation rates and give them incentives to get to 40 percent. The important thing is, by raising the work participation goal, we're helping states make work the centerpiece of real welfare reform.

Q: How will states meet the 40 percent work participation rate?

A: The administration will work with states and give them guidance in order to achieve this goal. We know that states are eager to move people into jobs as quickly as possible -- one sign is the large number of waivers we've approved for states so far. States are aggressively seeking waivers to implement their own reforms to move people from welfare to work -- and we're moving aggressively to give them this freedom.

We know that some states are already doing very well, and we'll encourage states to follow these successful models. For example, the SWIM program in California offers job search, work experience, and education and training to participants. Over a five-year period, the program increased participant earnings, and it reduced AFDC payments by almost \$2,000 for each family -- savings that were almost twice the program's net costs. California's GAIN program has also successfully raised earnings for welfare recipients -- by providing child care and other supportive services necessary for people to find and keep jobs. And, over time, it saved money: almost \$3 for every \$1 invested.

Q: Is the new participation rate a mandate on states?

A: Absolutely not -- we're setting a new goal for states to move people into the workforce quickly and permanently. President Clinton is using his executive authority to set a tougher performance benchmark for states, which counts people who are working and seriously preparing themselves for work. We already know from the waivers we've granted that states are eager to move as many of their welfare recipients as possible from the welfare rolls onto private payrolls.

Q: Why would governors take the President up on his offer when they can get a bill from Congress?

A: Thirty-two states have already taken the President up on his offer to enable them to achieve real welfare reform in their states. There is no guarantee, as we have seen, that Congress will act soon on welfare reform, but we hope that they will. In the meantime, we want to build on the success we have already accomplished in 32 states.

Q: Many welfare waivers have taken 120 days to be approved, if not longer. How can governors have any confidence that this new process will work?

A: The Clinton administration has already approved 32 state welfare demonstration projects -- more than the two previous administrations combined. We have not stood still while legislation stalled in Congress over legislative and political gamesmanship. We're committed to moving ahead on welfare reform at every level.

Q: Will it cost more for states to implement these reforms?

A: Like most demonstration projects, early investments in child care and other transitional supports will have a long-term payoff. For example, California's GAIN program has successfully raised earnings for welfare recipients -- by providing child care and other supportive services necessary for people to find and keep jobs. And, over time, it has saved money for the state: almost \$3 for every \$1 invested.

As President Clinton has said, we will not have real reform or state flexibility if Congress just gives the states more burdens and less resources and fails to make work and responsibility the law of the land.

Q: Does the change in Food Stamps mean that the administration will accept the state opt-out provision in the new Republican Senate bill?

A: No. This is entirely different -- these new measures apply only to work. We're giving states help in sending a strong message that people must take responsibility to move themselves towards self-sufficiency. We're not talking about shifting Food Stamp funds to prison-building projects, for example.

Q: How will you reward states that do meet this participation goal?

A: That's still being worked out. We will certainly recognize successful programs, and other incentives are possible.

Q: What's the timing on the new participation goal?

A: HHS will set this new participation goal on October 1, 1995, when the current participation rate expires.

Q: Will all of the people included in the 40 percent participation rate really be working?

A: These people will either be working or engaged in activities leading to work -- such as on-the-job training.

Q: What will be the penalty if states fail to meet the new participation rates?

A: By refocusing the participation rates on work, President Clinton is allowing states to measure success the right way, by counting people who are working and seriously preparing themselves for work, rather than those who are merely enrolled in training programs. Under current law, activities such as part-time work do not meet participation rates requirements. We believe this expansion will help states successfully achieve the new goal.

I like the speech a great deal. The addition since the version you faxed to me yesterday of the "measure of" sentences in closing is good I think....I just saw Rahm and he told me POTUS is going to call me about the 20/40 issue. I will tell you that I am going to suggest it be deleted...I believe that the speech is strong without it and that it has the potential to both be confusing to press as well as resented by governors who are looking for a reason to be upset. Therefore, in my mind we don't need to clutter the speech with it. Finally, I say let's save it to use later, possibly if/when Congress doesn't pass welfare reform.

I have seen the fact sheets and map and while I have not studied them thoroughly I am very pleased with them.

I believe the main question that governors may have after the speech is: Does this mean our legislatures have to pass something before we can submit it? The speech somewhat stresses that fact, and many legislative sessions are over until winter. I don't have a problem if we really mean it but we do need to clarify it. The second question or in some cases the first will be: what if we present a waiver with things outside these five...I would hope we will answer that any of these five can be approved in the 30 days and while we will try to expedite others, these are the only five components we are promising.

Are we going to grant the Mass. waiver as modified? If we are not granting any part of it we better be ready for Weld and company to blast away...our only saving feature is that 120 days doesn't hit for another few days, right?

Will HHS do something to officially grant the waivers POTUS will talk about in speech? I am very concerned if his speech is the first place this is done.

If you have not talked with Jeremy today or yesterday about what is happening on welfare reform, beep (I will be at office, in car route home or at home, beeping the simplest way to reach me) me to go over it with you as he gave me an update last night and left a voice message this afternoon.

Thanks!

EXECUTIVE ACTION ON WELFARE REFORM

Today, President Clinton announces bold new measures to help states move people from welfare to work, pressing Congress to act now on bipartisan reform. With these new measures, we're focusing on the centerpiece of real welfare reform: work. Our plan will cut red tape in the waiver process, increase work requirement goals for states, impose tough new sanctions for failure to work, and put all states on a faster track to ending welfare as we know it.

FAST-TRACK DEMONSTRATION APPROVAL

Currently, most state requests for welfare reform waivers are evaluated by the Department of Health and Human Services within 120 days. Today, President Clinton is simplifying the application process and dramatically cutting this approval time to 30 days for state projects that meet one or more of the following five strategies for reform. We will allow states to institute new work requirements, backed up with adequate child care for parents to work. In addition, states will be able to impose time limits followed by work, provided they offer jobs to those willing to work. In order to promote parental responsibility and prevent teen pregnancy, states can require minor mothers to live at home and stay in school. States can also make parents pay child support or go to work. Finally, we will allow states to use AFDC and Food Stamp benefits as cash subsidies for private employers to hire welfare recipients. Under all of the approved demonstrations, the administration will ensure that children are protected and adequate accountability measures are in place.

INCREASED WORK REQUIREMENTS

Under current law, the Job Opportunities and Basic Skills (JOBS) program offers education, training, work preparation, and job placement services to help AFDC recipients move into the workforce. States are currently required to have 20 percent of their non-exempt recipients participating in the JOBS program. Beginning October 1, 1995, when current participation rates expire, the President will challenge states to meet a 40 percent work participation goal, double the current rate.

In addition, President Clinton will use his executive authority to allow states to measure success the right way, by counting people who are working and seriously preparing themselves for work, rather than those who are merely enrolled in training programs.

TOUGH NEW SANCTIONS

Under existing rules, when AFDC recipients fail to play by the rules and participate in mandatory work activities, they lose some of their cash benefits. However, their food stamp benefits increase to offset some of this reduction.

President Clinton is now changing federal regulations so that states can impose tougher sanctions on recipients who refuse to work. The Department of Agriculture has drafted new regulations to ensure that AFDC and Food Stamps work together, not at cross purposes with one another. As a result, we're changing the culture of the welfare system to reward those who are trying to move towards self-sufficiency and to send a strong message to those who don't.

A DOWNPAYMENT ON OUR PARTNERSHIP IN WELFARE REFORM

Today, President Clinton also announces that the administration has reached agreement on welfare reform waivers for four more states: West Virginia, Utah, Texas, and California -- bringing the total

RESERVATION PHOTOCOPY: been freed up by this administration to promote work and responsibility

EXECUTIVE OFFICE OF THE PRESIDENT

27-Jul-1995 06:24pm

TO: Carol H. Rasco
FROM: Diana M. Fortuna
Domestic Policy Council
CC: Bruce N. Reed
Jeremy D. Benami
SUBJECT: Waiver summary for 6 states

Bruce asked me to do a quick summary for you on pending and approved health and welfare waivers in six states. Here it is:

1. Colorado:

Welfare waiver approved January 1994; operates in five counties; parents must participate in training or could lose benefits; food stamp cash out; asset limits waived; financial bonuses for school success; penalties for failure to immunize kids.

No pending or approved major Medicaid waivers; one minor proposal is pending; was received June 1995; intended to demonstrate certain home health services could be provided in settings outside the home.

2. Florida:

Welfare waiver approved January 1994; operates in two counties; limits benefits to 2 years in a 5 year period; work guaranteed for those unable to find employment; extended Medicaid and child care benefits; asset limits waived and increased earnings allowed; requirement to immunize kids.

Medicaid waiver approved September 1994, but never implemented; was to use managed competition and to provide insurance for 1.1 million uninsured; Republican legislature has blocked implementation to date.

3. Vermont:

Welfare waiver approved 4/93; requires work or community service after 15 or 30 months; asset limits waiver and increased earnings allowed.

Medicaid waiver about to be formally approved, perhaps during NGA meeting; Secretary wrote Governor in June that it would be approved and that agreement in principle had been reached; would expand eligibility; implement managed care, and extend a prescription drug benefit to low income Medicare beneficiaries.

4. Nevada:

No welfare waivers approved or pending.

No Medicaid waivers approved or pending. (Better get moving!)

5. North Carolina:

No welfare waiver approved or pending

No Medicaid waivers approved or pending.

6. Delaware:

Welfare waiver approved May 1995; AFDC clients must sign contract; sets 2 year limit; requires teen parent to live in supervised setting and attend school; bonuses for completing school; sanctions for the entire family if participants don't meet requirements; family cap; denial of benefits for those who don't cooperate with child support enforcement.

Medicaid waiver approved May 1995; expands eligibility; implements managed care; state also received a lesser waiver in July 1993 that developed a public/private managed care system through pediatric clinics supported by the Nemours Foundation.

Not a bad record!

THE FOOD STAMP PROGRAM: SAFEGUARDING THE NUTRITIONAL SAFETY NET

The Food Stamp Program has a long, successful history of getting food to the people who need it. It provides essential nutrition assistance to protect the health and well-being of low-income children, working families, and elderly. It also has problems that need to be fixed - Federal program administration is too prescriptive, and fraud and error remain serious concerns.

Many argue that the solution to the program's problems is to replace it with block grants to the States. We do not agree. Between block grants and the status quo, there is a responsible alternative for change. The Administration has an ambitious agenda for reforming the Food Stamp Program to strengthen program integrity, expand State flexibility, modernize benefit delivery, and promote personal responsibility by encouraging work.

FOOD STAMP BLOCK GRANTS -- A STEP BACKWARD

The Food Stamp Program ensures that all Americans can get the food they need during hard times. We believe that block-granting the Food Stamp Program is fundamentally at odds with achieving this goal, for several reasons:

A block grant would eliminate the national nutritional safety net

It would reduce nutrition benefits, limit the Food Stamp Program's responsiveness to economic changes, and sever the link between food stamps and nutrition. This would result in the unraveling of the national nutrition framework that has successfully narrowed the gap between the diets of low-income and other families.

A block grant would eliminate the economic responsiveness of the Food Stamp Program

The current program automatically expands to meet increased need, and shrinks when the economy is growing. In every month since last August, fewer people received Food Stamps than in the same month one year before. In May, 1995 alone, there were one million fewer recipients than in May, 1994. These reductions in participation since last August have resulted in cumulative savings of \$400 million.

It is not possible for a food stamp block grant to respond automatically to economic or demographic changes. The demand for assistance to help children, working families, and the elderly would be greatest at precisely the time when State economies are weakest.

If a block-granted program had been in place between 1990 and 1994, it would have provided \$43 billion less in benefits than actually occurred. To maintain benefits in the face of funding reductions of this size, States would have had to serve 16.8 million fewer recipients -- half of them children -- a reduction of 61 percent.

For example, Texas would have lost 57% of its funding and would have needed to deny food

assistance to almost 2 million people to maintain benefit levels -- almost half of them children. New York would have lost 50% of its funds, forcing 1.2 million off the rolls.

When working families lose their jobs during an economic downturn, the Food Stamp Program now helps them get by until they can get back on their feet. Under a block grant, States could be forced to turn many of these people away.

When a welfare mother gets a first job, often she joins the ranks of the working poor - families that do not qualify for cash welfare that still need help to put enough food on the table. Under a block grant, States might have to turn these families away. This type of system does not support welfare reform - it undermines welfare reform.

A block grant would eliminate national eligibility and benefit standards

The elements of a healthful, nutritious diet do not vary across the country. National standards protect low-income families and their children, no matter where they live. Ensuring that these families and their children get the food they need is a national responsibility which warrants the attention and policy guidance of the Congress.

A block grant could reduce food purchases, jeopardizing the health and nutrition of children and families

This effect occurs in two ways: by reducing benefits and by enabling States to move away from food stamp coupons and electronic benefit transfer -- each with a direct link to food purchases -- and provide assistance in cash. The combined effect of reducing food stamp benefits and converting them to cash is a \$21 billion to \$43 billion reduction in food spending over the next five years. Moreover, the Department believes that people support dedicating the food stamp benefit to food purchases; under a block grant, Food Stamp benefits will become just another cash welfare payment.

THE ADMINISTRATION'S AGENDA FOR CHANGE

Over the past two years this Administration has been committed to reforming the Food Stamp Program. On May 23, the USDA submitted a comprehensive legislative agenda for Food Stamp Program reform. This package offers concrete, common sense reforms that build on the program's success.

Fighting Fraud

The Department is committed to aggressively fighting Food Stamp Program fraud and abuse. Our 13-point legislative proposal is designed to improve our ability to combat fraud through three coordinated strategies: pre-authorization screening to prevent fraud at its source, post-authorization controls to remove retailers found violating, and stiffer penalties to more effectively punish violations of the public trust.

We are already using new tools to fight fraud. We have significantly expanded programs to collect money owed to the government from tax refunds and Federal salaries; 41 States will participate next year. These highly effective programs recouped over \$30 million in taxpayer funds in 1994. We are also working in partnership with over 40 States to replace paper coupons with electronic benefits transfer (EBT) -- a system that greatly improves the program's ability to detect and fight fraud. The Department has recently completed a survey of retailers in seven major metropolitan areas to ensure that only bona fide stores participate in the program.

We are already seeing significant advances as a result of our new strategy. In 1994, the Department's Office of Inspector General alone made 463 arrests and obtained over 660 convictions, securing over \$7 million in fines and other monetary results from investigations into Food Stamp fraud. Less than two weeks ago, agents arrested two individuals in Brooklyn, New York, for Food Stamp trafficking; the Justice Department has filed a civil claim in the amount of \$48 million against these individuals and an associate.

Waiving Regulations to Increase State Flexibility

The Department is committed to supporting State welfare reform efforts through our waiver authority. During this Administration, USDA has approved every waiver request that the law permits -- a total so far of 201 Food Stamp Program waivers in 30 welfare reform demonstration projects. Eleven more welfare reform demonstration proposals are currently pending approval. Two of these are ready for USDA approval today--Delaware's A Better Chance and Virginia's Family Independence Program.

Furthermore, USDA has proposed legislation to expand State flexibility so that States would no longer have to seek waivers for most of their welfare reform strategies. For example, our proposal would enable States to apply work requirements to more parents with young children, thus allowing States to coordinate work requirements between the Food Stamp Program and the Aid to Families with Dependent Children (AFDC) program for those who participate in both. Most importantly, our plan would allow States to streamline Food Stamp benefit calculations for families getting AFDC by designing their own income and deduction rules.

We are committed to replacing red tape with a streamlined system that gives States the ability and flexibility to meet national goals. Our legislative plan would eliminate unnecessary statutory requirements that tell States not only what to do but how to do it. And we are taking action now to simplify and streamline current requirements as much as possible. These two efforts could reduce the volume of Food Stamp Program regulations by 50 percent.

Promoting Work through Wage Supplementation

USDA shares the Administration's commitment to work. Our proposed legislation would strengthen work requirements for able-bodied recipients by enabling States to coordinate the work requirements of other programs with those of the Food Stamp Program, and providing

for swifter and longer penalties for recipients who fail to meet their responsibilities.

The Department is now taking a significant step to encourage work by changing program regulations to prevent an increase in Food Stamp benefits when recipients are penalized under AFDC for failing to meet its work requirements.

We support wage supplementation projects which allow States to provide Food Stamp benefits to private employers who pay them out as wages to recipients. The projects represent a partnership between Federal and State governments and the private sector to develop real jobs.

USDA has approved wage supplementation projects in five States: Arizona, Mississippi, Missouri, Ohio, and Oregon.

When benefits are paid as wages, participants are eligible for the Earned Income Tax Credit (EITC), which supplements their income even further. The EITC can raise the effective wage of a \$4.25/hr. job to \$6.10/hr.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

MEMORANDUM

To: **Rahm Emanuel**
Assistant to the President and Director, Special Projects

From: **Greg Frazier**
Chief of Staff

Subject: **Food Stamp Program Issues for National Governors' Association Speech**

The following information responds to your questions about the Food Stamp Program for the President's speech. It is organized around your questions:

I. Food Stamp Program Waivers

There are still significant unresolved issues between HHS, USDA, and the States that will make it impossible to approve waivers for the welfare reform plans proposed by North Dakota and Massachusetts by Monday. However, the waivers for the Delaware plan are ready for approval. In addition, while the President announced the HHS waivers for the Virginia plan in June, the Food Stamp waivers are now ready. Both of these sets of waivers could be announced in the President's speech.

II. Status of Wisconsin's Proposal

Wisconsin's Pay for Performance (PFP) proposal was submitted on April 17, and includes four Food Stamp Program waiver requests. USDA has recently completed negotiations with the State and agreement has been reached on all issues. Two waiver requests will be approved, one request was withdrawn by the State agency, and the remaining request was determined to be unnecessary.

The HHS is revising the draft Terms and Conditions. Federal review should be completed the first week of August, after which the draft Terms and Conditions will be sent to the State agency for review.

III. Projected Number of Jobs in Wage Supplementation Demonstrations

The HHS and USDA have approved five projects which combine AFDC and Food Stamp benefits to be paid to recipients as wages by employers. There are an additional three wage supplementation demonstrations under Federal review. State agencies report that the following subsidized job placements are expected over the course of the projects:

Approved	
State	# of Jobs Projected by States
Arizona	900
Mississippi	13,000
Oregon	1,200
Missouri	7,000
Ohio	2,500
Under Review	
Virginia	500
Maryland	500
Massachusetts	10,000

- * Our experience suggests that these numbers should be used very cautiously. For example, after a year of operations, despite much higher projections, Missouri had placed only 6 individuals into jobs.

IV. Reinforcing AFDC Work Penalties

A proposed regulation to end the current practice of undermining AFDC work requirements by increasing Food Stamp benefits for those who receive AFDC work sanctions is currently awaiting approval by the Office of Management and Budget.

Food Stamp benefits rise when income falls. Therefore, if a family's AFDC benefit is reduced \$60 because of a failure to comply with AFDC work requirements, Food Stamp benefits would increase by \$18. States complain that this practice undermines the AFDC work sanction.

USDA has legal authority to change this policy via regulation, but may not waive the policy because statute specifically prohibits allowing any change through waiver that would result in lower benefit levels than under normal program rules. Consequently, it has been legally necessary to deny a number of State waivers in this area.

V. Anti-Fraud Activity

The following chart shows the number of indictments and convictions, and the amount of funds recovered, as a result of investigations conducted by USDA's Inspector General's Office in each of the last ten fiscal years. We were unable to obtain historical data for arrests today; the indictment figures reflect those arrested, as well as those who were summoned for arraignment. As you can see, the figures do not show a consistent trend in either direction. The most recent figures are for Fiscal Year 1994. Many of our fraud-fighting policy changes are too recent to be reflected in any of these figures -- as, of course, is our anti-fraud legislative proposal.

Fiscal Year	Indictments	Convictions	Monetary Results
1985	252	367	\$2,496,146
1986	194	159	\$2,262,333
1987	364	266	\$1,913,627
1988	490	419	\$45,904,804
1989	513	413	\$5,100,014
1990	618	428	\$7,136,238
1991	539	602	\$6,470,570
1992	827	598	\$3,852,595
1993	731	750	\$10,057,705
1994	643	663	\$7,092,343

If you need additional information on any of these issues, please let me know.



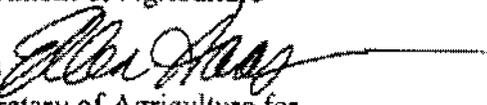
DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

MEMORANDUM

To: Bruce Reed
Deputy Assistant to the President
for Domestic Policy

JUL 27 1995

Greg Frazier
Chief of Staff
U.S. Department of Agriculture

From: Ellen Haas 
Under Secretary of Agriculture for
Food, Nutrition, and Consumer Services

Subject: Status of Pending Food Stamp Welfare Reform Proposals

As we discussed, here is a brief update on USDA's review of the eleven State welfare reform proposals currently under consideration. If you need more information, please let me know.

Attachment

**Pending Food Stamp Welfare Reform Proposals
As of July 27, 1995**

<i>Under Review: 11</i>	<i>Status</i>
READY FOR APPROVAL - 2	
Delaware A Better Chance	Approved by DHHS. FCS' approval letter is ready. It contains five approvals and two denials.
Virginia Independence Program (VIP)	Approved by DHHS. FCS' approval letter is ready. It contains four approvals and two denials.
CLOSE TO APPROVAL - 2	
Massachusetts Welfare Reform '95	HHS is negotiating with State. Food Stamp issues resolved.
North Dakota Training, Education, Employment, and Management (TEEM)	FCS sent an interim letter to the State outlining problematic waivers on 6/22/95. The State has responded, but six of 36 requests are unapprovable.
MID REVIEW STAGE - 3 Not yet ready for approval	
Oregon Increased AFDC Motor Vehicle Limit Demonstration Project	State has not responded to FCS letter sent 2/21/95 requesting a revised evaluation plan to measure effect of the project and cost neutrality.
Maryland Welfare Reform Project	Awaiting response from State on FCS comments.
Wisconsin Pay for Performance Demonstration Project	Discussions with the State are underway.
NOT YET CLOSE TO APPROVAL - 4 Either Newly Received or Awaiting State Action	
New Mexico	HHS sent issues/questions to State on 9/15/94. State is deliberating whether to pursue waivers.
Oregon The Oregon Option	Submitted 7/3/95 Analysis paper being drafted
South Carolina Family Independence Program	Submitted 6/7/95 Summary and analysis paper being prepared.
Washington Success Through Employment Program (STEP)	State has not responded to draft Terms and Conditions.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/28/95 ACTION/CONCURRENCE/COMMENT DUE BY: 5 p.m. 7/28/95

SUBJECT: POTUS - NGA speech

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
RIVLIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
GEARAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WEBSTER	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
GRIFFIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Rivlin</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Bromberg</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Apfel</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	<u>Edmunds</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>	<u>Reed</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
MIKVA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
McCURRY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please review & comment by 5 p.m. today. Call Terry

RESPONSE:

Edmunds at 6-2777 or Bruce Reed at 6-6515.

draft 7/28/95

REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995

95 JUL 28 P 3: 16

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Mayor Peter Clavelle; Ray Sheppach, NGA Executive Director; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

I share Governor Dean's sense of urgency about our children. In fact, I ran for President because I wanted to ensure a better future for our children. I did not want my daughter to be a part of the first generation of Americans to do worse than their parents. I also did not want to be a passive spectator at the funeral of our core American values: work and responsibility, community and family. So I took office to do two things: first, to expand opportunity and demand responsibility from every citizen. And secondly, to bring this country together again through a recommitment to the shared values that have made us great. And I have realized something during the course of this journey. You can't do one without the other. We must all pull together to rebuild the American Dream.

That's why, for the past two-and-a-half years, I have sought common ground with the American people about the needs of children and families. We've worked hard to give hard-working families the help they need to make the most of their God-given potential -- and to give their children a good start in life.

The Earned Income Tax Credit now provides an average tax deduction of \$1000 for working families with children with incomes below \$28,000. The Family and Medical Leave Law now helps more people be good parents and successful workers. The crime bill we enacted protects our children with 100,000 more police officers on the street and prevention programs that give our young people something to say yes to. We've expanded Head Start and made historic strides in education reform with efforts like Goals 2000, direct student loans, and our national service program, AmeriCorps.

So, we have done a lot to improve the quality of life for children and families. But, there is one thing we have not been

able to do -- pass comprehensive welfare reform. The American people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus from both. We should do both.

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that that would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there let Congress know that tough child support enforcement should be the law of the land.

So, why has the Congress failed to act? Unfortunately, in recent days, partisan, ideological in-fighting has stalled the progress on welfare reform. Some on the far right have been holding welfare reform hostage because they want to punish children whose parents are poor, young, and unmarried. That's wrong. There isn't a governor in either party who thinks that mandating every state to do that is a good idea. Instead of punishing children for their parents' mistakes, we should require teen mothers to live at home, stay in school, and turn their lives around. Welfare reform isn't about just cutting people off. It will only succeed if it moves people from welfare to work.

For weeks, the Senate has been hung up over another issue that pits Congress against the states and pits states against each other. I am firm believer in more state flexibility and tougher work requirements. But, states will never have the flexibility they need to reform welfare and put more people to work if all we do is give you a bunch of new mandates and a lot less money.

There's another crucial element that's missing from the current approach of many in Congress. Instead of providing the child care people need to get off welfare, some in Congress actually are trying to cut child care. It is pure fantasy to think we can put a welfare mother to work without child care for her children. We don't need more latchkey kids. We don't need more neglected children. And we don't want more welfare mothers staying at home, living on welfare just because they can't find child care.

[insert any additional reactions to Dole's speech]

Welfare reform doesn't have to be a huge unfunded mandate on state and local governments. There is an alternative. The Senate has before it a bill that demands work and responsibility and gives states the tools they need to succeed. The Work First Plan sponsored by Senators Daschle, Breaux and Mikulski ends the current welfare system and replaces it with one based on work. That's real welfare reform and we should work across party lines to pass it.

We just can't afford to let this die. I've worked on this issue for most of my public career, and so have many of you. It's time for Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill without further delay. The American people have waited long enough.

You and I have been working hard to move the ball forward. We're collecting child support at a record level from delinquent parents, and earlier this year I signed an executive order to crack down on federal employees who owe child support. We could move 800,000 people off welfare tomorrow if parents paid the support they should.

In the last two-and-a-half years, my Administration has approved waivers for 29 states to reform welfare their way. The very first waiver we approved, was for Governor Dean to put in place time limits that make it clear here in Vermont that welfare is a second chance, not a way of life. We cut through red-tape so that Governor Thompson could send the same message in Wisconsin. And we've given waivers to Ohio, Missouri, and Oregon to move people to work by using money now spent on welfare and food stamps to subsidize private sector jobs. That's a win-win. Businesses are hiring more people, taxpayers are saving money, and people who used to get welfare checks are now earning paychecks.

The American people demand that anyone on welfare who can work, must work. And that there ought to be limits so that no one who can work can stay on welfare forever. I am determined to use the full range of my authority as President to reform welfare and promote work.

Today, I want to announce a series of measures we can take together that will move us closer to ending welfare as we know it while we wait for Congress to end the logjam and act.

First, I am using my executive authority to hold states to a tougher performance standard for moving people from welfare to work and giving them the tools to do so. Starting October 1, I am doubling the work participation goal from 20 percent to 40 percent. And we'll make sure that States that meet this tough,

new benchmark are recognized and rewarded.

Second, I am changing federal regulations so that states can impose tougher sanctions on recipients who refuse to work. Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, that person's food stamp benefit goes up, so it turns out not to be a real sanction at all. If we're going to move people from welfare to work, we have to change the culture of the welfare system to reward people who take responsibility for their lives and not let them off the hook if they don't.

Third, as another downpayment on our commitment to our partnership with you on welfare reform, today my Administration is announcing welfare reform waivers for five states: [West Virginia, Utah, Texas, California?, and Massachusetts?]. We are also announcing food stamp waivers for [Delaware, Virginia, ?, ?]. That means that a total of ___ states have now been freed up to try out their ideas without being stifled by Washington one-size-fits-all rules.

None of this is a replacement for bold Congressional action. Rather, I hope it will spur the Congress to get off the dime. Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed.

I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a responsibility to bring real change to Washington.

I hope Congress will act, and soon. But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON
NATIONAL GOVERNORS ASSOCIATION ANNUAL MEETING
BURLINGTON, VERMONT
JULY 31, 1995

work - 3 hrs. this
FS authority -
work is about
we're all about
I'm going to do
anything I can
to get this done
worked in that
my whole life.

[Acknowledgements: Governor Dean for introduction; Governor Thompson, in-coming chairman; Governor Miller (Bob), in-coming vice chairman; fellow Governors; ladies and gentlemen]

It's great to be back in New England and in Vermont, especially this time of year. Let me begin by congratulating Governor Thompson for taking over the reins of the NGA for the next year. He really has a tough act to follow. Governor Dean has been a terrific leader. His "Campaign for Children" has helped focus much-needed attention on the responsibilities we owe our children -- as parents, as citizens and as leaders. There is no more important issue facing this nation.

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So, we have done a lot to improve the quality of life for children and families. But, there is one thing we have not been able to do -- pass comprehensive welfare reform. The American

people have been clear: They want welfare reform and they want it now.

We have found common ground, across partisan and ideological lines, on most of the issues surrounding welfare reform. Not so very long ago, many liberals opposed requiring all welfare recipients who can work to do so. And not so long ago, most conservatives thought the government shouldn't spend money on child care to give welfare mothers a chance to go to work and still be good parents. Now we have a broad consensus from both. We should do both.

Cyber-failed with summary

We also began this year with some in Washington suggesting that ending welfare meant taking children from their parents and putting them in orphanages. Now there's a bipartisan consensus even in Washington that that would be the wrong way to go. When this Congress first took up welfare reform, some questioned the need to include strong child support enforcement. But when governors and Members of Congress came together at our White House summit on welfare reform in January, Tommy Thompson, Howard Dean and every other governor there let Congress know that tough child support enforcement is something we all can agree on. *rule law of the land*

So, why has the Congress failed to act? Unfortunately, in recent days, partisan, ideological in-fighting has stalled the progress on welfare reform. We just can't afford to let this die. I want Congress to stop the ideological bickering and send me a strong, bipartisan welfare reform bill yesterday. The American people have waited long enough.

Today I am using my executive authority to move this process decisively forward. I am directing the Secretary of Health and Human Services to see to it that any State that meets four basic principles of welfare reform, can get a waiver within 30 days.

First, it must contain time limits and real work requirements. No one who can work should be able to stay on welfare forever. And we need to make sure that people have the child care and job training they need to move from welfare to work.

Second, it must require teen mothers to live at home, stay in school, and prepare for work. We shouldn't punish children for the mistakes of their parents. But we should insist that young mothers and fathers take responsibility and turn their lives around.

Third, it must require mothers to identify the father of their child so we can collect child support. Parents should not be able to walk away from their responsibilities.

Fourth, states ^{should} ~~ought~~ to do what Ohio and Oregon and Missouri are doing -- move people to work by using money now spent on welfare and food stamps to subsidize private sector jobs. That's a win-win. Businesses can hire more people, taxpayers can save money,

and people who used to get welfare checks can now get paychecks.

As a down payment on this, my Administration is approving welfare reform waivers for [six states? Ohio, West Virginia, Utah, Texas, California, and Massachusetts?] and food stamp waivers for [four states? Delaware, Virginia, ?, ?] *That's 10 states freed from which other ways*

In addition, I am using my executive authority to hold states to a tougher performance standard for moving people from welfare to work. Starting October 1, I am doubling the work participation goal from 20 percent to 40 percent. And we'll make sure that States that meet this tough, new benchmark are recognized and rewarded. *why make matters*

None of this is replacement for bold Congressional action. Rather, I hope it will spur the Congress to get off the dime. Let me be clear: Congress still needs to pass a comprehensive welfare reform bill that contains work requirements, time limits, the toughest possible child support enforcement laws, and gives states the tools to succeed. We can do this together.

I ran for President to bring new opportunity to the American people and to demand more responsibility in return. That's what I call the New Covenant. Welfare reform is a crucial part of this effort. We are now at an historic moment. The failure to pass welfare reform this year would be a breach of faith with the American people. Republicans and Democrats alike have a real responsibility to bring real change to Washington. *my whole life*

I hope Congress will act, and soon. *I'm going to do anything I can to reform welfare. 1/2 year - not just now* But even if they don't, I will work with you and your legislatures to get this job done.

Thank you.

FACSIMILE TRANSMISSION
Assistant Secretary
The Administration for Children and Families

DATE: 7/27/95

TO:

Yours truly,
Telephone: 456-6573
Fax: 756-7028
Number of Pages (excluding cover): 1

FROM: Mary Jo Bane
Assistant Secretary for Children and Families

Telephone: (202)401-2337
Fax: (202)401-4678

MESSAGE:



More paragraphs

If Congress has not acted by October 1, I will ensure that we not lose the momentum in the states for welfare reform focused on work. I will challenge states to meet a tough new performance standard for work--to have one third of their employable welfare recipients working or participating in serious work preparation activities by the end of 1996. I will make sure this new performance standard counts what counts: work, community service, employment focused education and training, and movement from welfare into work. And I will direct the Department of Health and Human Services to ensure that the public knows how states are doing, and that states that meet this tough new benchmark are recognized and rewarded.

Moreover, if Congress has not acted by October 1, I will find ways within existing law so that any state prepared to step up to the work performance challenge has the tools it needs to do the job. I will make sure that our reimbursement and quality control rules support states that are transforming their system into one focused on a paycheck not a welfare check. I will make sure that any state that wants to require work, provide financial incentives for work, use welfare checks to subsidize private employment or to pay for performance, or provide child care or other services to keep people off welfare or help them stay off can have their proposals approved within 30 days of a clear and simple application. I will instruct the Secretary of Health and Human Services to have ready by October 1 a package for governors that clearly lays out these opportunities and others that she might identify that would help the states meet the work performance challenge.

live at home, stay in school, identify the father
time limits followed by work
Contingent
do as much as the law allows
individualized judgment - Fed Register notice

TY UT
 WV OH

FACSIMILE TRANSMISSION
Assistant Secretary
The Administration for Children and Families

DATE:

7/26/95

TO:

George Keel

Telephone: *456-6515*

Fax: *456-5557-7028*

Number of Pages (excluding cover): *3*

FROM:

Mary Jo Bane
Assistant Secretary for Children and Families

Telephone: (202)401-2337

Fax: (202)401-4678

MESSAGE:



Bruce, Here are some draft paragraphs that might go into a speech. The first is obviously a minimalist approach, and would be my preference. The second gives a little more detail, but without boxing us in much.

Let me know how things go.

Mary Jo

OPTION 1

If Congress does not move ahead this summer on welfare reform, I am prepared to take bold steps to bring about the real welfare reform that the American people want. I continue to be disturbed that right-wing members of the Senate are holding welfare reform hostage. Real welfare reform is first and foremost about work and responsibility. It is about promoting American values and helping families by promoting independence and self support. It is not about punishing children. And real welfare reform must harness the creativity and diversity of the states to make the system ensure that in every neighborhood, welfare is about a hand up not a hand out.

I alone cannot force welfare reform to happen everywhere -- that requires the Congress to enact legislation. But I can continue to work with all of you in this room to transform the welfare system into one that is about work -- a system that expects all those who can work to move into work as quickly as possible. I will continue to provide states the flexibility to design welfare reform demonstrations that encourage work and protect children, like those currently operating in 29 states. And I will use every executive authority at my disposal to push, encourage and support states to end welfare as we know it.

OPTION 2

Add to the above:

We must all continue our efforts to move welfare recipients into work, even though the Family Support Act participation rate requirement expires on October 1. I will challenge states to meet a tough new performance standard for work -- to have one third of their employable welfare recipients working or participating in serious work preparation activities by the end 1996. And I will ask the Department of Health and Human Services to ensure that states who meet these benchmarks are recognized and rewarded.

And/or:

I will also identify those policies and practices that states have found to be effective in moving recipients to work, and make it possible for all states to use them. We will use our ability to structure demonstrations to make tools quickly available to states for increasing work while protecting children.

TX
ST
WV

WELFARE REFORM PROPOSAL

Background

- o Congressional inaction/Republican divisions and extremism
- o President's commitment to work-based reform
- o Waivers granted to 29 states
- o Expiration of current work requirements
- o Massachusetts and California waivers pending

Action Message

- o Challenge to the states/Congress
- o Incentives for state reforms focused on work
- o Stiffer work standards
- o "Welfare reform is underway"

10 WAIVERS - 5 HHS, 5 USDA
 20% → 40%
 USDA - New rule: Wage subsidy
 Fast track

Details

- o Increase in work requirements from 20 percent to goal of 35 percent
- o Change in state guidelines to emphasize work (including narrower exemptions from work requirements)
- o "Fast track" approval of work-oriented state reforms (60 days instead of 120 days)

PERFORMANCE-BASED
 OUTCOMES
 → Most Wanted List
 "Work Performance Rate"

Possible Additions

- o Granting of two waivers (Republican and Democratic governors)
- o Immediate application for first "fast track" waiver

WV
 MASS.
 Hawaii

CREATING A NEW WELFARE SYSTEM

Congress is about to leave for recess without having passed a welfare reform bill. Welfare reform is a high priority for the American people. It is too important for it to become the victim of partisan and intra-party stalemate. I have tried to work with the Congress. The Administration submitted a bill last year that embodied the basic values of work and responsibility. I have repeatedly called on Congress to work in bipartisan way to pass the welfare reform that the American people want.

Meanwhile this Administration has already instituted an historic partnership with states to further their own welfare reform agendas. We have granted thirty-three waivers for welfare reform demonstrations. And we are seeing results. AFDC caseloads are lower nationwide than they were when this Administration took office. More welfare recipients are working or looking for work.

Today, in the face of Congressional inaction, I am taking bold steps to bring about the real welfare reform that the American people want. Real welfare reform is first and foremost about work and responsibility. It is about promoting American values and helping families by promoting independence and self-support. It is not about punishing children. And real welfare reform must harness the creativity and diversity of the states to make the system ensure that in every neighborhood, welfare is about a hand up not a hand-out.

I alone cannot force welfare reform to happen everywhere--that requires the Congress to enact legislation. But I will use every executive authority at my disposal to push, encourage and support states to end welfare as we know it.

So today I am issuing a clear challenge to each state to begin the process of transforming the welfare system. The challenge is straightforward: get one third of your employable caseload working by the end of 1996. To help the states meet this challenge, I am instructing the Secretary of Health and Human Services to use her waiver authority in ways that will enable states to quickly adopt dramatic new systems to help parents attain self-support and independence and improve children's well being. States willing to pursue these goals will have all the tools they need to achieve success.

The Challenge

My challenge to the states is to join Secretary Shalala and me in transforming the welfare system into one that is about work--a system that expects all welfare recipients to move into work as quickly as possible. The specific challenge is for all states to meet a goal of 35 percent of their employable welfare recipients working or participating in serious work preparation activities in 1996. In addition, I challenge states to measure and report their performance on important outcomes: work, transitions off welfare and children's well being. I am instructing HHS to work with states to construct the reforms that will enable them to meet this challenge, and to collect and publish data on how well states are doing. I am authorizing the use of selected incentives to states that exceed benchmarks for these outcomes.

The Opportunities

After reviewing the welfare reform demonstrations now being tested in many states, the legislative proposals currently before Congress, and the evidence from past welfare reform efforts, the Secretary of HHS has identified a number of ways that states can dramatically transform the current system into a system that is about work. The Administration as of today is offering the states a vastly expanded menu of options for reforming the system. I am instructing the Secretary of HHS to authorize any state who requests them to make full use of any or all of these options, as long as the state also is meeting the challenge of improving measured performance.

Real work requirements. Under current law, states are required to meet standards for participation in JOBS program components. Under our new proposal, states will be able to set up real work requirements by counting work, serious education or training directed at work, and work readiness activities in meeting the 35 percent goal. States will be able to adopt a much narrower set of exemptions from work requirements than current law allows, requiring, for example, parents of very young children to work. Any state that chooses to do so can impose tough sanctions on adults who refuse to participate in required activities or who turn down a job offer.

Time limits. Under current law, states may not impose time limits on welfare receipt. Our new proposal recognizes that time limits, with appropriate protections, make clear to both recipients and the welfare bureaucracy that welfare really is transitional. States can choose one of three models of serious time limits that also protect children: individualized time

limits followed by work; set time limits followed by private or public sector work; set time limits with protections for children of those who are unable to work because they are disabled or caring for a disabled child, or are genuinely unable to find unsubsidized jobs.

Work programs. Under current law, states are limited in the activities they can offer under the JOBS program. Under our proposal, states can design work programs that incorporate all the tested elements of successful labor force attachment programs, including job search, job readiness programs, employment-directed education and training and work experience. States can require the development of employability plans, and can sanction recipients who fail to abide by their plans. Any state that chooses to do so will be able to institute tough workfare programs as long as they incorporate basic protections for workers. States will be able to use tough sanctions for recipients who do not participate.

Public-private partnerships. Under current law, states have limited flexibility to use AFDC grant payments in creative ways. Under our proposal, any state that chooses to do so will be able to use welfare grants as subsidies to an employer. Any state that chooses to do so can essentially use the AFDC check as a "voucher" to an employer or a private placement company. Any state that chooses to do so and puts up its fair share of the costs can get federal money for the costs of working with private employers to develop jobs and training programs.

Supports for work. Under current law, recipients can receive one year of transitional child care and Medicaid benefits. States are limited in their ability to provide either diversion or post-employment services. Under our proposal, any state that chooses to do so will be able to provide transitional child care and/or transitional Medicaid for up to x years. States can provide child care in lieu of welfare for families that need only this help to stay independent. States can use the AFDC grant for "diversion" from welfare for applicants who need some one-time or short term help in getting or keeping employment. The federal government will share in the cost of post-employment services programs with states that are willing to put up their fair share of costs. States that choose to do so can provide financial incentives for recipients to work that allow them to keep more of their earnings and incentives to save through complete flexibility in assets and automobiles.

Focus on youth. Under current law, states have limited ability to design special programs for young people. Under our proposal, states can impose requirements and offer services to help young people become productive workers and good parents. Any state

that chooses to do so can require minor parents to live at home, stay in school and identify the child's father. States can provide case management, home visiting and parenting services to young parents who need them. Any state that chooses to do so can require young fathers to work off child support obligations. States can develop teen pregnancy prevention programs to deter out-of-wedlock births and prevent welfare use. The federal government will share in the cost of such programs with those states that are willing to put up their fair share.

Simplification. Under current law, states must follow detailed and burdensome federal rules for determining eligibility. Under our proposal, in order to free up staff time to focus on work, states will be able to simplify their eligibility processes by using simpler methods for budgeting, accounting and collecting overpayments. States can choose to expand eligibility to two-parent families without regard for quarter or hours of work limitations. States can design their own rules for counting and disregarding income and assets, as noted above.

Real accountability. Under current law, states are accountable only for payment accuracy. Under our proposal, I challenge all states to measure outcomes not process: participation, work, movement off welfare, fraud prevention and children's well being. States that are serious about committing themselves to outcome standards will be able to substitute their outcome-based accountability standards for QC reviews. Serious states will also be allowed more flexibility in the use of federal money saved as a result of their reforms.

Protections. These changes will be made while preserving basic protections for children, parents and currently employed workers. As we expand the job opportunities for those now on welfare, we will be sure that present workers are not displaced. We will adhere to minimum wage laws and require that workplaces meet basic health and safety standards. We will make certain that there is child care available to those who go to work. We will protect those who play by the rules.

The Mechanisms

At my direction the Secretary of HHS is today (or tomorrow or sometime) sending to every governor this challenge to join us in reforming welfare by working creatively within existing law.

She is sending the guidelines for measuring outcomes and the procedures for collecting data. I have instructed her to publish the data and to reward those states that are exceeding benchmarks.

She is also sending to the states today a much simplified state plan and waiver application that will permit states to easily construct a package of specific work-related reforms based on tested models and an accountability package based on outcomes. The rules about random-assignment evaluations and cost-neutrality essentially will be eliminated.

A State designed welfare reform demonstration, utilizing any combination of these programs and policies, will receive any necessary federal approvals in no more than 60 days as long as adequate monitoring of performance is assured.

States that want to request waivers for welfare reform models other than those outlined above will of course be able to use the normal waiver process. They will be required to design evaluations to ensure that we learn from their experience. States that wish to continue already approved welfare demonstrations in their current form will also continue their evaluations.

In addition, I have instructed the Secretary of Health and Human Services to work together with other Cabinet officers to provide technical assistance based on research, evaluation and successful state experience to help states in implementing these new systems.

States have already shown that they are eager to be partners in real welfare reform. I am sorry that Congress proved unwilling to join in this effort. But I am proud to be able to move forward today with real welfare reform, as the American people want. I continue to look forward to work with Congress to institutionalize these bold reforms in legislation.

FAX to
Melissa &
return to me

EXECUTIVE OFFICE OF THE PRESIDENT

28-Jul-1995 02:50pm

TO: Bruce N. Reed
TO: Kenneth S. Apfel
TO: Barry White

FROM: Keith J. Fontenot
Office of Mgmt and Budget, HRD

SUBJECT: Food stamps paragraph

Here's some grist for the Food Stamps issue:

My administration is taking action to ensure that welfare programs work together, not at cross purposes with one another. Currently, if someone on AFDC fails to play by the rules and participate in required work and training, they lose some of their benefits. But then, their food stamps benefits offset about 30% of the sanction. This dilutes the effect of the sanction and compromises the integrity of basic work requirements. It is an impediment to the type of welfare reform that this Administration wants. We will move swiftly to change the rules in order to put teeth back in work sanctions. Food stamps should no longer thwart the impact of Federal, State, or local welfare sanctions for failure to participate in work requirements.