

FIXING THE FAULTS

Today, Secretary Shalala will testify before the Senate Finance Committee on the Clinton Administration's approach to welfare reform. The Administration has "grave concerns about the welfare reform measures that emerged from committees in the House of Representatives over the past few weeks," Secretary Shalala says. "In our opinion, this legislation has the values all wrong. It is weak on work and tough on kids, when it should be the other way around."

After today's hearing, look for the Senate to take a fresh look at welfare reform, and move more deliberately toward the President's approach. There is increasing discomfort in the House with key aspects of the current bills that the Secretary will discuss today:

- o **Child support enforcement.** The Clinton Administration believes that both parents should be required to support their children. That's why we have proposed the toughest child support enforcement measures ever. Our proposal includes a tougher, more uniform child support enforcement system, as well as a stronger requirement for paternity establishment. We also would impose tough new penalties for those who refuse to pay, including wage withholding and suspension of drivers' and professional licenses.
- o **License Revocation.** At the urging of the President, the Ways and Means Committee finally inserted child support enforcement measures into its bill. Unfortunately, there is one glaring omission -- our recommendation for suspending drivers and professional licenses when non-custodial parents refuse to pay. This is a proven measure that gets results. We estimate that this provision could increase collections by as much as \$2.5 billion over ten years, and CBO estimates that we could save the federal government \$146 million in the first five years alone.
- o **Anti-family provisions.** Under the current House bill, the children of mothers under 18 get no cash benefits, period. Instead of letting states decide for themselves whether to deny benefits for additional children born to a mother on welfare, the House bill imposes a one-size-fits-all mandate. And nearly everyone, adult or child, who gets more than 60 months of aid in a lifetime is cut off -- even if they are ill, caring for a disabled child, or willing to work but cannot find a job.
- o **Cruelty to teens.** Unlike the House Republicans, we're not willing to give up on teen parents, just because of one past mistake. Our approach provides time-limited benefits for teen mothers, but only if they live at home with their parents or a responsible adult, identify their child's father, and stay in school. The American people "want us to end a welfare system that they know has failed," Secretary Shalala explains. "They want a welfare system that is tough on work, but not on children."

FUNDAMENTAL DIFFERENCES IN PROPOSALS

QUESTION:

While you highlight the common ground, where are the fundamental differences? What principles will this Administration defend?

ANSWER:

- ▶ While we are committed to finding bipartisan agreement on welfare reform, we are firmly opposed to some provisions of the House Republicans' legislation. Some Republicans, most notably Senators Dole and Kassebaum, also have expressed reservations about the more extreme provisions in the House measure. Even on the more contentious issues, we are hopeful that we can find a bipartisan, centrist agreement. Our guiding principle will be what the President said in his State of the Union address: "our goal must be to liberate people and lift them up -- from dependence to independence, welfare to work, mere childbearing to responsible parenting -- not punish them because they happen to be poor."
- ▶ In particular, there are three areas where we hope to find common ground, but where important differences exist:
 - o Our approach would take strong action to address the problem of teen pregnancy, but would not give up on teenage parents and their children. We should require work and mutual responsibility, but we shouldn't cut people off because they are poor, young, or unmarried. We shouldn't punish poor children for the mistakes of their parents. To prevent welfare dependency in the first place, we would send a strong message to teens that staying in school, postponing pregnancy, and preparing to work are the right things to do. We strongly oppose measures that would force children from their families solely because their parents are poor.
 - o Welfare reform must also require responsibility from both parents. The Clinton Administration has proposed a comprehensive plan to improve child support enforcement and ensure that both parents contribute to their children's well-being. We would suspend drivers licenses, track parents across state lines, and make them work off what they owe. We must do more, not less, to ensure that both parents live up to their responsibilities. The Administration is pleased that the House Republicans have recognized this and have added a child support enforcement provision to their bill although we think it could be stronger. Your Republican colleagues on this committee, Mr. Chairman, have shown a willingness to work with us on this issue, and we greatly appreciate that.

- o We must refocus the welfare system on the national objectives of work and responsibility, while maintaining our partnerships with the states. Some Republican plans would cut funding for vulnerable populations and leave everything up to the states. Such proposals could create a massive cost-shift to the states and threaten the safety net for millions of poor children and working families, particularly during economic recessions. While the Administration is committed to state flexibility, we believe it would be difficult to have either state flexibility or reform if we put ourselves in a position that when a recession comes along, the states go broke. We need to maintain the federal-state partnership, and it would be very difficult to design a pure discretionary block grant that doesn't put states and individuals at risk.

- o We don't believe that anyone who is willing to work but unable to find a job should be deprived of basic support.

MAJOR BARRIERS TO MOVING PEOPLE OFF WELFARE

QUESTION:

What has research on the Family Support Act shown are major barriers to moving people off welfare?

ANSWER:

- ▶ AFDC recipients are an extremely diverse group, with some being highly employable, and others facing numerous problems. A recent survey of people who were targeted for the JOBS program in selected sites shows that between a quarter and a half lacked prior work experience, at least a third had extremely low literacy skills, and more than a quarter said they could not participate at that point in time because they or their child had a health or emotional problem. (The share unable to participate would have been larger if the survey had covered all AFDC recipients, i.e., including those not currently subject to the JOBS mandate.)
- ▶ Research on welfare dynamics shows that the group most likely to stay on welfare a long time is young, never-married women with young children who had their first child as a teenager and dropped out of school and have little or no prior work experience. Thus, this suggests that the barriers include limited education and work experience, and child care responsibilities that preclude full-time employment.
- ▶ The welfare system itself sets up a devastating array of barriers for people who receive assistance but want to work. It penalizes those who work by taking away benefits dollar-for-dollar; it imposes arduous reporting requirements for those with earnings but still on welfare; and it prevents saving for the future with a meager limit on assets.
- ▶ Working poor families often lack adequate medical protection and face sizeable child care costs. Too often, parents may choose welfare instead of work to ensure that their children have health insurance and receive child care.

AFDC/MEDICAID CHANGES IN THE PRA

QUESTION:

Under the PRA, individuals and families can lose AFDC or SSI cash benefits for a variety of reasons. What happens to their Medicaid coverage?

ANSWER:

- ▶ We are still reviewing the PRA as it came out of full Ways and Means Committee mark-up. It is our understanding that:
 - Medicaid coverage could actually be expanded, if States use their discretion on AFDC eligibility to make new, very low cash payments in order to bring additional persons onto Medicaid.
 - Medicaid coverage would continue in a number of cases for families losing AFDC cash benefits, as long as they continue to meet other Medicaid eligibility requirements. This is a significant change from earlier versions of the bill which could have resulted in many more families losing their Medicaid coverage. For example, Medicaid would continue for:
 - Unwed teen parents and children
 - Additional children born, conceived while family receiving AFDC (family cap)
 - Families whose AFDC benefits are terminated due to the 60-month time limit
 - Families leaving welfare for work (i.e., current law transitional Medicaid)
 - It appears that, even if they lose AFDC cash benefits, most poverty-level pregnant women and children will remain eligible for Medicaid. It is less clear whether disabled children receiving services under the new SSI block grant for children will be eligible for Medicaid.
 - Medicaid would be denied to certain categories of persons now eligible:
 - Most legal immigrants would be ineligible for Medicaid, except for emergency medical care (as is now the case for illegal immigrants). (Exceptions allow full Medicaid coverage for elderly immigrants, refugees, U.S. military veterans, and temporarily for those receiving services at the time of enactment.)

- Drug addicts and alcoholics who cannot qualify for SSI based on another impairment.
- o Medicaid consequences are not specified or are unclear when, for example:
 - Families subject to State sanctions for non-compliance with work requirements lose AFDC benefits during the first 24 months of eligibility
 - Paternity has not been legally established, but parent is cooperating
 - Inter-State transfer families with AFDC cash benefits are limited in the new State to the AFDC payment level in their prior State of residence until they have resided in new State 12 months
 - Children are receiving State foster care and adoption assistance services under new Child Protection Block Grant (replacing Federal programs)

REVOCATION OF LICENSES FOR NONCUSTODIAL PARENTS

QUESTION:

Why do you support the revocation of professional and driver licenses for noncustodial parents who owe back child support?

ANSWER:

- ▶ Revocation of drivers licenses and professional licenses of noncustodial parents owing past-due child support is an effective enforcement tool. Nineteen states currently permit some form of license revocation. CBO estimates using this enforcement tool in every state would save the Federal government \$146 million over 5 years. We estimate that it would increase collections to families by \$700 million over 5 years and \$2.5 billion over 10 years.
- ▶ Holding a license is a privilege, not a right. The country has an interest in seeing that the license holder is law-abiding and that legal orders for child support are honored.

SHOULD AFDC REMAIN AN ENTITLEMENT

QUESTION:

Should AFDC remain an entitlement?

ANSWER:

On balance I think it should.

the Home State grant, which makes no adjustment for population economic downturn or case load growth, and which would simply shift the problem to

As I said in my testimony, the Administration has serious concerns about ~~block granting AFDC and shifting the program to~~ the states with less money. First, it runs the risk of really hurting states in recessions -- when state revenues drop even as welfare caseloads rise. Second, it hurts the working poor - people who hit hard times and need help for only a few months. So while a block grant approach is one way to provide states with more flexibility, I think on balance we should not do it. Our legislative proposal, as you know, maintained the individual entitlement structure that was set up by the Social Security Act 35 years ago. If you keep that approach, you get the benefit of maintaining a system that has worked well for people who only need assistance temporarily, and you are more able to protect states as economic conditions change.

A HOUSE DIVIDED

Today, the House of Representatives starts voting on amendments to the Republican welfare "reform" bill, and the forecast calls for disarray. First up: a vote on the rule covering consideration of amendments -- which allows about 40 of the staggering 150 proposed amendments to be considered. Even more amazing, most of the proposed changes in the bill come from unhappy Republicans -- making it possible that the rule itself will meet strong opposition.

As the House majority splinters over abortion, the ban on aid to teen mothers, child support and the eligibility of legal immigrants, look for Democrats to stay with one clear message:

- o **We're for change.** Government programs should reflect the values of work, responsibility, and opportunity -- and unfortunately, the current welfare system does not. But in order to end welfare as we know it, we must have real, fundamental change that helps move people from welfare to work, encourages responsible behavior, and sends a strong message to the next generation that people should not have children until they are ready to care for them.
- o **The Republican plan is not welfare reform.** The focus of real welfare reform is a paycheck, not a welfare check. In contrast to our proposals, the bill being considered by the House today is weak on work and responsibility, and tough on kids. It doesn't reform welfare or reduce the deficit -- instead, it uses welfare reform as a cover to finance tax cuts for the wealthy. And it includes none of the supports -- like education and child care -- that people need to move from welfare to work.
- o **"A Bad Bill."** Today's Washington Post editorial says it best: "The House this week takes up a deeply flawed welfare bill. A sign of how many problems there are with this legislation is that more than 150 amendments have been proposed. Many come not from Democrats but from Republicans aware of the bill's shortcomings. Some amendments are worth passing, but they will not cure what ails this legislation." The Republican bill would make an already broken welfare system even worse. According to the Post, "ultimately, it should be defeated and rewritten."
- o **Weak on work, tough on kids.** Under the current Republican plan, only 4 percent of AFDC recipients would be working in 1996 -- less than the 11.5 percent who would be working next year under current law. The bill would also allow caseload reductions to count as "participation in work" -- but cutting people off is not the same as getting people to work, and it's a sham to pretend it is. Ultimately, their plan would cut cash assistance to 6 million children, and deny help to many more abused, neglected, hungry and disabled kids. While House Republicans, at our urging, finally included stronger child support provisions in their bill, it still lacks an important measure to suspend the licenses of deadbeat parents. We need to send the strongest possible strong message that both parents -- fathers and mothers alike -- must take responsibility for the children they bring into this world.

Welfare Reform Daily Talking Points
Tuesday, March 21, 1995

IT DOESN'T ADD UP

The House of Representatives begins floor debate today on welfare reform -- considering a Republican bill that is still weak on work, cruel to kids, and includes cuts of \$69 billion. As President Clinton wrote to the House members today, the bill "cuts child care for people trying to leave welfare ... removes any real responsibility for states to provide job placement and skills, and gives states a perverse incentive to cut people off whether or not they have moved into a job."

However, today's Washington Post reports that the Republican chairman of the House Rules Committee will recommend major concessions on some key provisions of the bill that have been opposed by the Catholic church and the Clinton Administration, including the denial of benefits to unwed teen mothers. And, as House Minority Leader Richard Gephardt predicted on Sunday's *Face the Nation*: "You could have Democrats and conservative Republicans -- also moderate Republicans -- who do not want to hurt vulnerable children, voting for the Democratic version of this welfare bill."

Here's today's calculations:

- o **Subtracting resources.** Welfare reform should not be confused with budget cutting. The Republican bill would cut funding for the cash assistance, child care, child protection, child nutrition, Supplemental Security Income, and Food Stamp programs by a total of \$69 billion, or 12 percent, over five years. California, New York, Texas, and Florida would be the hardest hit, losing \$15.1 billion, \$8.5 billion, \$5.2 billion, and \$3.8 billion, respectively. "We will not achieve real reform or state flexibility," the President writes, "if Congress just gives the states more burdens and less money, and fails to make work and responsibility the law of the land."
- o **Multiplying the need.** Over five years, the Republican plan would cut funding for child protection services by \$2.7 billion, or 10 percent. The bill would also reduce federal funding for child care by \$2.3 billion over the same period, leaving more than 400,000 children home alone. Ironically, the bill reduces funding for these programs when low-income families' need for these services will only grow.
- o **Adding cruelty to kids.** Funding for child nutrition programs would be cut by \$6.6 billion over five years, depriving over 2 million school children of free meals, according to a recent Congressional Budget Office study. The Republican plan would also cut federal assistance for disabled children by \$22.6 billion, eliminating or reducing assistance to more than 700,000 children who need special care. As the President wrote today, "cutting school lunches and getting tough on disabled children and children in foster care is not my idea of welfare reform."
- o **Dividing America.** The President's letter clearly states that the bill "in its current form does not appear to offer the kind of real welfare reform that Americans in both parties expect. It is too weak on moving people from welfare to work, not as tough as it should be on deadbeat parents, and too tough on innocent children."

**Welfare Reform Daily Talking Points
Monday, March 20, 1995**

THE DEBATE BEGINS

As the House of Representatives prepares to open the welfare reform debate Tuesday, weekend stories made clear that the stakes for America's children are high. President Clinton, in his weekly radio address to the nation on Saturday, stressed the need for welfare reform to include stronger child support enforcement. From the start, the Clinton Administration has called for a tougher, more uniform child support enforcement system -- to increase collections for all families, and to help move women and children off the welfare rolls. Catholic bishops and child nutrition advocates also spoke out against the Republican plan over the weekend -- pointing out it's not real welfare reform.

- o **Enforcing responsibility.** To end welfare as we know it, the President said in his address, "we'll have to offer more opportunity to move people from welfare to work and demand more responsibility in return; have a requirement that anyone who can work must go to work; and discourage irresponsible behavior that lands people on welfare in the first place by insisting on tougher child support enforcement and responsible parenting. We have to make responsibility a way of life."
- o **Toughest possible child support enforcement.** President Clinton's approach to welfare reform includes five provisions to strengthen child support enforcement: employer reporting of deadbeats who move from job to job; uniform interstate child support laws; computerized state-wide collection to speed up payments; streamlined efforts to identify the father in every case; and tough new penalties, like drivers' license revocation. Taken together, these five improvements would increase child support collections by \$24 billion in the next 10 years, and would reduce federal welfare costs by \$4 billion over the same period. But only four of them -- all but license revocation -- are in the bill that will be considered in the House tomorrow.
- o **Protecting children.** On Saturday, the U.S. Catholic Conference of Bishops issued a statement opposing benefit cuts to teen mothers and their children, as well as to legal immigrants: "We strongly support genuine welfare reform which strengthens families, encourages productive work and protects vulnerable children ... but we cannot support 'reform' that will make it more difficult for poor children to grow into productive individuals." And on Sunday, Democratic legislators, children's advocates, and hundreds of families gathered at the Capitol to protest the Republican bill's provision to block grant and slash funding for child nutrition programs.
- o **Dissension in the ranks.** As today's Los Angeles Times reports, some Republican representatives have recognized the more glaring flaws in the House bill. Amendments have been offered to include license suspension in child support enforcement, to provide child care for parents who are required to work, and to modify the provisions cutting off assistance to teen mothers and their children. As House Minority Leader Richard Gephardt said yesterday: "I think the Republican bill may be in some trouble on the floor this week."

Welfare Reform Daily Talking Points
Friday, March 17, 1995

WILL IT BE "TERMITES" ... OR REFORM?

"Unless you envision a termite as an interior decorator, you wouldn't consider this a reform."
-- Democratic Representative William Clay describing the current Republican bill

The House Rules Committee met yesterday, and while the rules for voting on amendments to the Republican welfare "reform" proposal won't be determined until next week, there's still plenty of opportunity to do real welfare reform. Republicans have filed amendments to fix some of the more egregious flaws in the Republican bill, and Democrats have sought permission to offer two alternative proposals that reflect our fundamental goals for creating real, lasting welfare reform.

- o **Increasing responsibility.** Tomorrow, President Clinton will use his weekly radio address to the nation to press for stronger child support enforcement in welfare reform. Following the Clinton Administration's lead, Representative Marge Roukema says she plans to offer an amendment to strengthen child support enforcement and send a clear message that both parents must take responsibility for their children. The amendment, like the President's plan, would require states to adopt procedures under which parents who are delinquent in child support payments face the prospect of having a license (drivers', professional, occupational, etc.) withheld, suspended, or restricted.
- o **Helping teens.** Supporting President Clinton's approach, Democratic Representatives Levin and Rivers will offer amendments to require teen parents to live at home with a legal guardian, attend school, and cooperate with paternity establishment in order to receive assistance. And even some Republicans plan to offer amendments that modify provisions in their current bill that punish teen mothers and their children for past mistakes. For example, Representative Bunn's amendment would allow "unwed mothers to continue to receive assistance if certain conditions are met."
- o **Protecting child nutrition.** Amendments will be offered to require states to "maintain adequate funding levels for school nutrition programs," and to preserve WIC and other child nutrition programs -- rather than turning them into a block grant and slashing funding, as the current Republican bill proposes.
- o **Real reform.** Democrats Nathan Deal and Patsy Mink will offer alternatives to the Republican proposal -- attempting to fix provisions that are still weak on work and cruel to kids. The Democratic proposals recognize that real welfare reform is about moving people from welfare to work. That means insisting on parental responsibility, providing safe and reliable child care, offering education and training, and including work provisions that help single parents find and keep jobs.

LICENSE TO COLLECT

Today, HHS will release a review of state efforts to increase child support collections through the revocation of drivers', professional, and commercial licenses of non-paying parents. "I am pleased that the Ways and Means Committee has included many of the President's child support enforcement provisions in its legislation," Secretary Shalala points out. "However, it is outrageous that the bill does not include license revocation. This is an effective, appropriate and necessary tool for assuring that millions of children get the support they desperately need."

Highlights of the review:

- o **A comprehensive approach.** To be successful, child support provisions must include measures to effectively establish paternity, get awards in place, and collect them once they're set. That's why we have proposed the toughest child support enforcement measures ever. Our proposal includes a more uniform child support enforcement system, as well as a stronger requirement for paternity establishment. We also would impose tough new penalties for those who refuse to pay, including wage withholding and suspension of drivers' and professional licenses.
- o **A proven tool.** Nineteen states currently have license revocation programs in place, and others are moving to implement these effective measures. In just the nine states which have collection statistics, the threat of license revocation has raised nearly \$35 million. HHS estimates that license revocation could increase total child support collections by as much as \$2.5 billion over ten years.
- o **Preventing welfare dependency.** In addition to potential increases in child support collections, the Congressional Budget Office estimates that the federal government could save \$146 million in welfare payments in the first five years as a result of a nationwide license revocation program. Increased child support payments would help many low-income women and children move off the welfare rolls.
- o **Bipartisan support.** Democrats and Republicans agree that improved child support enforcement is essential to ending welfare as we know it. And license revocation sends a clear and strong message that both parents must take responsibility for the children they bring into this world. "As soon as you threaten to take a license away, the money mysteriously appears, from people who claim they didn't have it," Republican Representative Marge Roukema said yesterday. "It's a very effective deterrent, no question about it."
- o **Stories from the states.** "It's been incredibly successful," said Bill Kennemer, Republican State Senator in Oregon. "It's relatively simple and enjoys great public and legislative support." Tom Mato from Maine's Department of Human Services explains: "These are chronic non-payers who have insulated themselves from traditional child support enforcement remedies." Modeled after the successes in Maine and other states, the President's bill would require all states to use revocation of drivers', professional and recreational licenses to collect child support, while giving states flexibility in program implementation.

Welfare Reform Daily Talking Points
Tuesday, March 14, 1995

RIGHT PROBLEM -- WRONG SOLUTION

Today, the Senate Finance Committee will hear testimony from various witnesses on teen pregnancy and welfare reform. The current bill in the House would deny benefits to teen mothers and their children, but wouldn't do anything to move them towards self-sufficiency. We're hoping that the Senate is smarter -- real welfare reform must strengthen families, not weaken them, and it must move all welfare recipients to work.

- o **The right problem.** Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform, because the link between teen births and poverty is clear. Douglas Besharov, of the American Enterprise Institute, states the problem clearly today: "Teens have the worst prospects of all unmarried mothers ... Seventy-seven percent of unmarried adolescent mothers were welfare recipients within five years of the birth of their first child." As President Clinton has said, "Nobody should get pregnant or father a child who isn't prepared to raise the child, love the child and take responsibility for the child's future."
- o **But the wrong solution.** Simply denying assistance to a teenage mother, as the House bill recommends, won't do anything to move her toward self-sufficiency. As Dr. Robert Granger of the Manpower Demonstration Research Corporation testifies today, this policy is "much more wrong than right." The Republican approach is also mean-spirited: they cut people off because they are poor, young and unmarried -- and small children pay the price for their parents' mistakes. And, as President Clinton has said, "It's bound to lead to more dependency, not less; to more broken families, not fewer; to more burdens on the taxpayers over the long run, not less."
- o **Experts agree.** Dr. Robert Granger also says today that cutting off aid as a "solution" to the complex problem of teen pregnancy "could easily make [it] much worse," instead recommending policies to keep teens in school, encourage job training, and protect children. And Dr. Rebecca Maynard, from the University of Pennsylvania, adds: "What we do know is that if there is no assistance for these young families, there will be serious consequences for many of the young mothers and their children."
- o **So what works?** Our approach would require teen mothers to live at home with their parents, identify their child's father, finish high school, and work. But we would also give them the help they need to become good role models and providers for their children. Today's hearing shows the wisdom in this approach: teens will stay in school and prepare for work if there are real consequences for inaction.
- o **And don't forget dad.** As President Clinton has said, "If we collected all the money that deadbeat parents owe, we could move 300,000 mothers and over half a million children off the welfare rolls immediately." Today, Dr. Kristin Moore also stresses the need for stronger child support enforcement: "If Congress wants to send a message intended to discourage teenage parenthood, child support enforcement would be my number one recommendation."

Welfare Reform Daily Talking Points
Monday, March 13, 1995

STATE SUCCESS

Today, the Clinton Administration will grant a second welfare reform waiver to Oklahoma, the latest example of the Administration's commitment to giving states the flexibility to pursue welfare reform at the state level. As Secretary Shalala stated before the Senate Finance Committee on Friday, the Clinton Administrations' approach reflects the fundamental principles behind ending welfare as we know it: "It reforms welfare. It provides state flexibility with accountability. It protects children. And it protects state taxpayers."

The Clinton Administration has now approved 27 demonstrations in 25 states, launching welfare reform for thousands of families in half the states, more than the two previous administrations combined. All of the welfare waivers we have granted build on the central principles for President Clinton's vision for welfare reform:

- o **Child Support Enforcement.** Ten states are strengthening child support enforcement, sending a clear message that both parents -- fathers and mothers alike -- must be responsible for the children they bring into this world. States from New York to Oregon are implementing tough measures, including suspension of drivers' and professional licenses, to increase child support collections. As President Clinton has said, "We've got to send a loud signal: No parent in America has a right to walk away from the responsibility to raise their children."
- o **Parental Responsibility.** Nineteen states are promoting parental responsibility by encouraging education, or by limiting benefits for families who have another child while on AFDC. States such as Arkansas and Wyoming are finding ways to insist on responsible behavior in return for help, reflecting the administration's goals to improve opportunities for the next generation. "Our plan," President Clinton explains, "send a clear message to young men and women that mistakes have consequences, that they have to turn their lives around, that they have to give their children a better chance."
- o **Work.** Twenty-one states are providing incentives and encouraging families to move from welfare to work. For example, states such as Ohio are using AFDC and Food Stamp funds to subsidize private-sector jobs for welfare recipients. As President Clinton said last week, these state reform efforts will enable people to achieve and maintain economic self-sufficiency, and "give them a chance -- a chance to earn something."
- o **Time-limited assistance.** Twelve states, including Oklahoma, are making welfare a transitional support system -- rather than a way of life -- by providing opportunity, but demanding responsibility in return.

FIXING THE FAULTS

Today, Secretary Shalala will testify before the Senate Finance Committee on the Clinton Administration's approach to welfare reform. The Administration has "grave concerns about the welfare reform measures that emerged from committees in the House of Representatives over the past few weeks," Secretary Shalala says. "In our opinion, this legislation has the values all wrong. It is weak on work and tough on kids, when it should be the other way around."

After today's hearing, look for the Senate to take a fresh look at welfare reform, and move more deliberately toward the President's approach. There is increasing discomfort in the House with key aspects of the current bills that the Secretary will discuss today:

- o **Child support enforcement.** The Clinton Administration believes that both parents should be required to support their children. That's why we have proposed the toughest child support enforcement measures ever. Our proposal includes a tougher, more uniform child support enforcement system, as well as a stronger requirement for paternity establishment. We also would impose tough new penalties for those who refuse to pay, including wage withholding and suspension of drivers' and professional licenses.
- o **License Revocation.** At the urging of the President, the Ways and Means Committee finally inserted child support enforcement measures into its bill. Unfortunately, there is one glaring omission -- our recommendation for suspending drivers and professional licenses when non-custodial parents refuse to pay. This is a proven measure that gets results. We estimate that this provision could increase collections by as much as \$2.5 billion over ten years, and CBO estimates that we could save the federal government \$146 million in the first five years alone.
- o **Anti-family provisions.** Under the current House bill, the children of mothers under 18 get no cash benefits, period. Instead of letting states decide for themselves whether to deny benefits for additional children born to a mother on welfare, the House bill imposes a one-size-fits-all mandate. And nearly everyone, adult or child, who gets more than 60 months of aid in a lifetime is cut off -- even if they are ill, caring for a disabled child, or willing to work but cannot find a job.
- o **Cruelty to teens.** Unlike the House Republicans, we're not willing to give up on teen parents, just because of one past mistake. Our approach provides time-limited benefits for teen mothers, but only if they live at home with their parents or a responsible adult, identify their child's father, and stay in school. The American people "want us to end a welfare system that they know has failed," Secretary Shalala explains. "They want a welfare system that is tough on work, but not on children."

Welfare Reform Daily Talking Points
Thursday, March 9, 1995

FINDING COMMON GROUND

The Senate Finance Committee will hold its second day of hearings today, and yesterday's session gave real hope of bipartisanship. President Clinton is committed to working with both parties, putting aside politics as usual to create real, lasting welfare reform. In 1988, he worked closely with President Reagan and Senator Moynihan to develop the Family Support Act, bipartisan legislation intended to strengthen families and move people from welfare to work. And he will continue to seek common ground on how to reform a welfare system that everyone agrees must be fixed.

- o **A hope of bipartisanship.** While House debate has been marked by partisan wrangling, members of both parties predict a more bipartisan approach in the Senate. Today's *Baltimore Sun* quotes Senate Majority Leader Bob Dole: "Our first concern must be the welfare of the children involved. They're not the instigators [of the problems in the welfare system]. They are the victims." And Representative Dave Camp acknowledged yesterday that "there are no guarantees in the Senate. We have to be prepared for uphill sledding in the Senate."
- o **A break on details.** In January, Senator Dole said that he would not support cutting off assistance to unmarried mothers under 18: "You know, somebody still has an obligation," he said. "I don't believe we can do that. I wouldn't recommend that." And, he said he would not support ending aid to legal immigrants: "That's not going to happen ... they are legal immigrants, and they are here under our law, then I think we have some obligation." Just this week, Senator John Chafee of Rhode Island told *Newsweek* that welfare "must remain an entitlement." And Senator Nancy Kassebaum has said she opposes cutting off benefits for unwed teen mothers because "I don't think that solves the problem of illegitimacy."
- o **Already making progress.** We are pleased that the Republicans have finally recognized that strong child support enforcement is critical to real welfare reform. As Representative Marge Roukema recently stated: "Effective child support enforcement is welfare prevention. Non-support of children by their parents is one of the primary reasons so many families end up on the welfare rolls to begin with."
- o **A more thoughtful approach.** "We have from the House a draconian measure," Senator Moynihan said yesterday. "The action over there seems to me incoherent and I hope the Senate will perform its constitutional role of giving some thought to what happens and taking some time doing it." Senator Dole agreed: "I don't know of any other issue we should devote more time to than this. I think there may be a little different approach on the Senate side."

Welfare Reform Daily Talking Points
Wednesday, March 8, 1995

GOVERNORS ECHO PRESIDENT'S SPEECH

Today, as the House Ways and Means Committee officially approves their "weak on work, cruel to kids" bill, the real welfare reform debate begins in the Senate. Two governors, Howard Dean of Vermont and Tommy Thompson of Wisconsin, will testify before the Senate Finance Committee. Together, they will deliver the governors' bipartisan bottom line for national reform -- a bottom line that echoes the President's remarks yesterday before the National Association of Counties.

- o **States need flexibility.** Testifying jointly for the National Governors Association, the governors will say today that the federal government should set broad goals in cooperation with the states, but that states should have additional flexibility to test new reforms. We agree. In two years, this Administration has approved more welfare waivers than all previous Administrations combined. And in his speech yesterday, the President signaled a renewed commitment to state flexibility: "I think we should go further and abolish this waiver system altogether. Instead, we should give all states the flexibility to do all the things that our waivers allow 25 states to do today."
- o **Kids come first.** According to Governors Thompson and Dean, children must be protected throughout the restructuring process of welfare reform, a point the President has always made. "I think it's wrong to make small children pay the price for their parents' mistakes," President Clinton said yesterday. "It's bound to lead to more dependency, not less; to more broken families, not fewer; to more burdens on taxpayers over the long run, not less."
- o **Require work.** Welfare must be a time-limited system, and during that time, there need to be efforts made to help people move from welfare to work. But governors agree there must be a social contract based on work and responsibility. The President reiterated his longstanding commitment to work yesterday: "When I proposed my plan last year and when I was running for president, I said, if people need help with education, training or child care so they can go to work, we ought to give them the help. But, after two years, they should be required to take a job and get a paycheck, not a welfare check, if there's a job available. There should not be an option. If you can go to work, you must."
- o **Real reform not passing the buck.** Both governors agree that welfare reform should be "an opportunity for Congress and the President to provide needed flexibility for states, not as a primary means to reduce the federal budget deficit." The President made a similar point yesterday: "Let's reform welfare. Let's cut the deficit. But let's don't mix up the two and pretend that one is the other. Let's put our children first."

HALF THE NATION -- UNDER REFORM

Today, in a speech to the National Association of Counties, President Clinton will announce that Ohio will be the 25th state to receive a waiver to reform its local welfare system. Ohio's "A State of Opportunity" project embodies the principles behind this Administration's vision for national reform -- and signals President Clinton's unprecedented commitment to supporting states as the laboratories of reform. The President's challenge to Congress is simple: put aside partisanship and get the job done, focusing on four key principles:

- o **Work.** We must demand and reward work, not reward those who stay home and punish those who go to work. Welfare reform must be about moving people to work so they can support themselves and their families. Anyone who can work, must work; and get a paycheck, not a welfare check. If people need help learning to read or getting child care so they can go to work, we should help them get it. The Republican plan does almost nothing to move people into a job. And for people who need help, it will make it even harder.
- o **Responsibility.** We must demand responsibility from both parents who bring children into this world. This Administration is collecting a record level of child support from delinquent parents -- \$9 billion in 1993, a 12 percent increase over 1992. The House Republicans, at the President's urging, have included many of the Administration's proposals in this area but made one glaring omission. Denying drivers' licenses to parents who refuse to pay support is a proven collection tool in 19 states, yet the Republicans refuse to include it in national reform.
- o **Reaching the next generation.** We need to send a clear message to America's teenagers: it is wrong to have a child outside marriage. We need to be tough on teens who do have children so they can turn their lives around and give their children a better chance. But the Republican message is mean-spirited: make a mistake and we will write you off. They cut people off because they are poor, young and unmarried -- and small children pay the price for their parents' mistakes.
- o **State flexibility.** In two years, this Administration has approved more welfare waivers than all previous Administrations combined. When all 25 demonstrations are fully implemented, some 6 million welfare recipients will be affected in an average month. The waivers granted build on the President's central principles: 20 states are making work pay; 10 states are strengthening child support enforcement; and 19 states are reaching the next generation by promoting parental responsibility.

Talking Points on Welfare Reform March 7, 1995

Personal: I have worked on this issue for 14 years as a governor. I know that the names, faces, and life history of people on welfare is the most important part of this debate, not the t.v. soundbite.

Tone/Bipartisanship: Welfare reform is not about name-calling. Welfare Reform is about lifting people up, about freeing them from lives of dependency. This is an historic opportunity to solve a problem that we can all agree on, no matter our race, our religion or our party. We should not let welfare fall to the jaws of politics and day-to-day political backbiting. Reforming America's welfare system is too important to be used as a weapon for political gain or to divide Americans. We need to raise this debate above politics and commit ourselves to real Welfare Reform.

I am glad that the Republicans included Welfare Reform in their Contract, because it has always been part of mine. They are right to have adopted some of our proposals on child support enforcement.

Values: Today I outlined, in good faith, your specific principles on welfare reform to let the Congress know where the points of debate are. Last year, we sent to Congress the most comprehensive welfare reform legislation to date. Congress should use that proposal -- which rewards work, education, family and personal responsibility -- as it considers reform today.

Children: Welfare Reform and Deficit Reduction are not the same thing: we should not let budget-cutting be wrapped in a cloak of welfare reform and we should not pretend that one is the other. We have a national interest in the welfare of our children, and we need to put our children first.

Welfare Waiver for Ohio: As of today, 25 states -- half the nation -- have received welfare reform waivers from the Clinton Administration, more than twice as many states as the Bush Administration approved during four years. When the welfare waivers approved by the Clinton Administration are fully implemented, some 6 million people representing 42 percent of all recipients will be affected in an average month.

Q&A on License Revocation to get Tough on Deadbeat Dads:

Q: Why is the President hacking the revocation of drivers and professional licenses as a tool for states to collect delinquent child support?

A: License revocation is the most successful collection tool for child support enforcement, with the exception of wage garnishment. License revocation is particularly important in cases where the delinquent parent is self employed and their wages can't be garnished.

Q: Couldn't this be abused? Couldn't some men have their licenses revoked improperly, due to disagreement between husband and wife over the child support payments?

A: We don't foresee that problem. Already, 19 states have successful programs using license revocation to collect child support. In Maine, they found that all you really need is the threat of a revoked license. In over 21,000 cases, they only had to revoke about 40 licenses -- in all the other cases the warning that they would lose their license was enough to make delinquent parents pay. While we support mandating the states to begin using this tool, we will leave the details of how it is enforced up to the states.

ENDING WELFARE AS WE KNOW IT

March 7, 1995

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

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

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

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

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

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

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

THE WHITE HOUSE
WASHINGTON

March 7, 1995

MEMORANDUM FOR DISTRIBUTION

FROM: KJTTY HIGGINS

SUBJECT: Summary of Cabinet Activity 3/7 - 3/13

MARCH 7, 1995

- DOC -- Business Development in Haiti: Deputy Secretary Dave Barram and International Trade Administration (ITA) Deputy Under Secretary David Rothkopf accompany Deputy Secretary of State Strobe Talbott on a Presidential Business Development Mission to Haiti March 7-8, leading a delegation of interagency and private sector representatives. The inaugural meeting of the U.S.-Haiti Business Development Council will be held.
- DOC -- Budget Testimony: Secretary Brown testifies before the Senate Appropriations Committee's Subcommittee on Commerce, Justice, State and the Judiciary and before the House Budget Committee on Thursday, March 9 regarding Commerce's FY96 proposed budget. The Secretary will continue to meet on this matter with pertinent Members of Congress, including Representatives Gilman, Skaggs, Klug, and Boehner; Senators Gorton, Kerrey, Dorgan, Jeffords, Ashcroft, Bennett and Lautenberg; and the Delegation of California Legislators.
- DOE -- Testimony: Secretary O'Leary testifies before two committees. In the morning, before the House Energy and Water Development Appropriations Subcommittee regarding our fiscal year 1996 Budget Request. In the afternoon, before the Senate Foreign Relations, Near Eastern and South Asian Affairs Subcommittee, perhaps with Secretary Ron Brown, regarding trade and investment opportunities in India and Pakistan.
- DoEd -- National Challenge Grants Competition: Vice President Gore and Secretary Riley announce the kick-off of the National Challenge Grants for Technology in Education. This program acts as a catalyst for change by supporting efforts to transform schools into information-age learning centers. The event is at Montgomery Knolls Elementary in Silver Spring, Maryland.

MARCH 8, 1995

- DOL -- OSHA Testimony: On March 8, Joseph Dear, Assistant Secretary of the Occupational Safety and Health Administration, will testify before the House Postsecondary Education, Training and Lifelong Learning Subcommittee which is holding hearings on the Occupational Safety and Health Act.
- DOJ -- Immigration: Doris Meissner participates in a panel discussion at the National Press Club on immigration.
- DOJ -- Drug Policy: Drug Policy Director and FBI Director will hold a press conference to discuss drug policy and add the first drug cartel trafficker to the FBI's most wanted list.
- HHS -- Budget Testimony: On March 8, Secretary Shalala testifies before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education on the Department's FY 1996 budget. On March 9, the Secretary testifies before the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education on the same subject.

MARCH 9, 1995

- VA/DOD/HHS -- Persian Gulf Veterans Illness: Departments of Defense, HHS, and Veterans Affairs will testify before the Veterans Affairs Subcommittee on Health. Their testimony is being coordinated with your speech to the VFW. In addition, *60 Minutes* segment on Persian Gulf War Illness will air on March 12.
- DOC -- Census Economic Reports: Wholesale Trade for January 1995
- DOC -- Information Access: Secretary Brown announces "Get Connected," a public information campaign aimed at increasing access and awareness of the National Information Infrastructure and the Administration's efforts to extend these resources to eliminate the gap between information "haves" and "have nots."
- DOJ -- Virginia Motor Voter Case: The Solicitor General is expected to file a merits brief for the United States as *amicus curiae* in Morse v. Oliver North for U.S. Senate Committee, a Voting Rights Act challenge by individual voters to the Virginia Republican Party's imposition of a \$45 fee for participation in its 1994 senatorial nominating convention. The Solicitor will argue that the GOP violated the Voting Rights Act by adding the fee requirement without first obtaining preclearance. The Solicitor will also argue that individual voters should be able to invoke the Act's anti-poll-tax remedies.

MARCH 12, 1995

- *60 Minutes* segment on Persian Gulf War Illness will air on March 12.
- DOT -- Motor Carrier Safety Summit: In response to a recent trend showing an increase in accidents involving truck, DOT will hold a Motor Carrier Safety Summit in Kansas City, MO, on March 12-15, 1995. Secretary Pena and Federal Highway Administrator Rodney Slater will deliver keynote speeches at the opening plenary session on March 12. Mayor Cleaver of Kansas City and Mr. Tom Donahue of the American Trucking Association have also agreed to speak. The Summit will provide the opportunity for DOT and representatives of the industry and related disciplines to set a motor carrier safety agenda for the turn of the century and beyond.

MARCH 13, 1995

- DOL -- Glass Ceiling Awards: On March 13, Secretary Reich presents the Francis Perkins-Elizabeth Dole National Award for Diversity and Excellence in American Executive Management to the Xerox corporation: a company that has been exemplary in its efforts to diversify and promote minorities and women. The event will be held in room 450 of the Old Executive Office Building. Elizabeth Dole is expected to attend.
- DOC -- Malcom Baldrige "Tour Center": Secretary Brown joins the First Lady at DOC for the Grand Opening of the Malcolm Baldrige Great Hall, which will serve as the White House "Tour Center."
- EPA -- Great Lakes Water Quality Initiative: EPA is working to finalize the Great Lakes Water Quality Initiative (GLI) due to be announced on March 13. The final GLI will set water quality standards for the entire Great Lakes basin but with enough flexibility to address the unique situations in each state. EPA has been working with several Congressional members and Governors in the Great Lakes region to ensure successful completion of this process.
- HUD -- Recission Briefing: Secretary Cisneros Meets with 10 Representatives of the Brookings Institute
- DOI -- Field Hearings on the Endangered Species Act: Monday, March 13, in Louisiana, Secretary Babbitt plans to attend the field hearings on the Endangered Species Act being conducted by Congressman Don Young's Natural Resources Committee.

Welfare Reform Daily Talking Points
Monday, March 6, 1995

FLIP-FLOPPING ON FOOD STAMPS

Tomorrow, the House Agriculture Committee will begin markup of legislation to overhaul the food stamp program. And the mixed messages on this subject from House Republicans give new meaning to the words "mystery meat." So far, they've been for eliminating food stamps, as called for under the "Contract with America;" maintaining the "federal social safety net" as Representative Pat Roberts of Kansas pledged ten days ago; and making cuts of \$16 billion, as sources told the Sunday Washington Post. Whichever route they go today, one thing is clear: flip-flopping on food stamps is not welfare reform.

Here's our bottom line:

- o **No phony reform.** Whatever the Agriculture Committee decides to do this week, it certainly won't be welfare reform. Real welfare reform must include time limits, child support enforcement, and measures to reward work and responsibility without punishing children for their parents' mistakes. Drastic cuts in the Food Stamp program is nothing more than phony reform.
- o **Help for the needy, not the greedy.** As the Republicans rant about food stamp fraud, the Administration has taken action. Last week, the Agriculture Department proposed legislation to crack down on illegal trafficking in food stamps. The proposal calls for strict eligibility standards for retailers and increased monitoring to make it easier to catch and punish stores that cheat. As President Clinton said in announcing the proposal, "We expect the food stamp program to continue to get food to people who need it, but that we will not tolerate criminals who defraud the system and seek to profit from the hunger of others."
- o **Kids should not go hungry.** The Clinton Administration will not support changes to the food stamp program that will jeopardize children's health. White House Chief of Staff Leon Panetta has made this commitment clear: "These programs are right for this country and they're right for the kids that are served by these programs," he said at a recent press briefing. "They are right morally because we're providing food to hungry kids in this country. They are right from a health point of view because they are helping to improve the health of these kids. They are right from an education point of view, because kids who are better fed learn better in school."
- o **Moving people to work.** We need to make work an attractive and rational option for those who receive public assistance. Food Stamps can be a part of that effort, and we've already given several states the flexibility to test work incentives, Food Stamp "cashouts," and Electronic Benefit Transfer. But the goal should be to move welfare recipients toward self-sufficiency -- not to cut the federal budget by targeting hungry children.

Welfare Reform Daily Talking Points
Friday, March 3, 1995

"TOUGH ON KIDS AND EASY ON GUYS"

Today, the House Ways and Means Committee will finish its markup of a bill that manages to give "welfare reform" a bad name. In drafting a plan that is tough on kids and weak on work, Committee Republicans have, in the words of Representative Barbara Kennelly of Connecticut, been "easy on guys," adding as an afterthought what should be a centerpiece of welfare reform: aggressive child support enforcement. In a letter to the Chairman of the Ways and Means Committee yesterday, President Clinton urged Republicans to make good on their commitment to pass tough child support.

Here's why:

- o **Governments don't raise children, people do.** As President Clinton wrote to Chairman Bill Archer of Texas, "When absent parents don't provide support, the inevitable result is more welfare, more poverty, and more difficult times for our children. It is essential that all Americans understand that if they parent a child, they will be held responsible for nurturing and providing for that child."
- o **Not enough commitment.** Critical elements to comprehensive child support include denying welfare benefits to any unwed mother who does not cooperate fully in identifying the father, supporting powerful measures for tracking interstate cases, and enforcing serious penalties for parents who refuse to pay what they owe. As Secretary Shalala said in her speech yesterday, "It is simply not acceptable for parents to walk away from the children they helped bring into this world."
- o **Not enough enforcement.** While the Republicans have now picked up many of the President's suggestions, they have forgotten one essential means of collecting support, suspending driver's and professional licenses. President Clinton has a different message for struggling families owed child support: "If absent parents aren't paying child support, we will garnish their wages, suspend their licenses, track them across state lines, and if necessary, make them work off what they owe."
- o **Still barely a "C."** "You can't reform welfare without tough child support provisions," Secretary Shalala told the Child Welfare League yesterday, "and frankly, we were surprised that the initial House Republican bill was silent on the issue." Republicans have learned a little in the past week, but the time is now to crack down on absent parents. As Secretary Shalala said yesterday, Republicans barely get a "C" on this issue.

Welfare Reform Daily Talking Points
Thursday, March 2, 1995

A FAILING GRADE

Today, the House Ways and Means Committee continues to mark up its new welfare reform bill. This proposal, weak on work and cruel to kids, is not real reform -- and we've given them a midterm report card that proves it. On the welfare reform front, the House Republicans are light years away from the honor roll. In a speech to the Child Welfare League today, Secretary Shalala gives them the following grades:

- o **An "F" on work.** To move people from welfare to work, you need both tough expectations and clear pathways of opportunity. The House Republicans claim that they require 17 percent of recipients to be involved in "work-related" activities by the year 2000. But, they count people who are dumped off the welfare rolls as "working." Since when is getting cut off the same as working? Not since the Reagan Administration called ketchup a vegetable have we seen such fundamental distortions.
- o **An "A" for cruelty to kids.** Welfare reform must be about strengthening families -- not tearing them apart or writing them off. Our goal must be to lift people up, not punish them because they happen to be poor or young. We need to be tough -- not cruel. Cruel is the only way to describe proposals to abolish nutrition programs for children. Cruel is the only way to describe plans to reduce assistance to thousands of abused, neglected, and abandoned children. And, cruel is the only way to describe denying benefits to children of teen mothers.
- o **A "C" on responsibility.** You can't reform welfare without tough child support provisions -- and, we were surprised that the initial House Republican bill was silent on the issue. They keep promising the language will be there -- but it still has not been introduced. Unfortunately, what little we have seen suggests that they still have a long way to go.
- o **An "Incomplete" on ending welfare as we know it.** Incomplete because they have shown no clear vision. Incomplete because they have shown no true commitment. And, incomplete because they have shown some -- but not enough -- willingness to work together for common-sense solutions. We believe that meaningful reform must be about moving people from welfare to work. It must be about a paycheck -- not a welfare check. And, it must reinforce the core values of work, responsibility, and reaching the next generation.

**Welfare Reform Daily Talking Points
Wednesday, March 1, 1995**

"DUMB AND DUMBER"

Today, the House Ways and Means Committee begins marking up its new welfare reform proposal. Although the bill has been slightly modified, its basic structure remains the same. The bill still punishes innocent children and does nothing to move their teen mothers towards self-sufficiency. Will the Republicans ever learn?

- o **Still extreme.** Although they've slightly changed the provision, the bill still bans cash assistance to teen mothers and their children. Even Republicans acknowledge that their proposal is off the mark: "Just because a woman made a mistake when she was young," Representative Nancy Johnson said yesterday, "doesn't mean that she and the child should be penalized for life." And now Republicans have added an "illegitimacy bonus" that, as Representative Stark pointed out, would give states a bounty for reducing access to abortion.
- o **Still stupid.** Denying assistance to a teenage mother won't do anything to move her toward self-sufficiency. Our approach would -- It conditions aid on staying in school, living at home, and identifying her child's father.
- o **Still a sham.** Under their fourth version of "work requirements," caseload reductions count as "participation in work." But cutting people off is not the same as getting people to work, and it's a sham to pretend it is. The bill also contains an easy way for states to avoid the participation requirements altogether. For some states, taking a five percent reduction in their federal grant would be cheaper and easier than running on-the-job training and work programs. Even Representative Johnson agreed that the work requirements are "very easy to circumvent."
- o **Still dishonest.** Requiring work is more expensive than just sending a check -- as Republicans admitted in last year's bill. Now they're just passing the costs of their political cover on to the states. Governors who are serious about work want resources for child care, training, and job placement -- not new unfunded mandates. As Representative Harold Ford said, "This bill is nothing but a fraud."
- o **To sum up, the Republican proposal is still, as Secretary Shalala described, "weak on work and tough on kids. It reminds me of the hit movie, 'Dumb and Dumber.'"**

Welfare Reform Daily Talking Points
Tuesday, February 28, 1995

A CONTRACT? WITH WHOM?

Today, the House Ways and Means Committee unveils yet another version of "welfare reform." Will it include work requirements? Callously cut off the children of young mothers? Or just dodge the tough issues by punting to the states?

And -- the \$64,000 question -- will the plan move back to the mainstream or stay on the extreme right-wing fringe of public opinion? Just so you know, fellas, here's what the mainstream looks like:

- o **Work.** Today's *New York Times*/CBS News poll shows that 66 percent of Democrats, 70 percent of Independent voters, and even 63 percent of Republicans agree that welfare recipients should be allowed to receive benefits as long as they are willing to work for them. As President Clinton said in his State of the Union Address: "Our goal must be to liberate people and lift them up, from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor."
- o **Responsibility.** Welfare reform must include tougher child support enforcement, to send a strong message that both parents -- fathers and mothers alike -- must take responsibility for the children they bring into this world. As the American Bar Association said in a statement yesterday applauding President Clinton's executive order to improve paternity establishment and child support enforcement among federal employees, "if we want to dramatically increase the number of paternities established and child support orders enforced, Congress must be willing to comprehensively reform our child support program. The Administration's Executive Order is an important signal that child support is a national priority."
- o **Reaching the next generation.** As Secretary Shalala said in yesterday's speech to the America Public Welfare Association, "We're not willing to give up on teen parents. Because giving up on them would be giving up on the value of responsibility. Our approach provides time-limited benefits for teen mothers, but only if they live at home with their parents or a responsible adult, identify their child's father, and stay in school." The APWA also denounced plans to deny assistance to unmarried teenage mothers. And, today's *New York Times* poll shows that 67 percent of Democrats, 63 percent of Independent voters, and 57 percent of Republicans are opposed to cutting off welfare benefits to unmarried mothers under 18.
- o **A partnership with the states.** Even Republican governors, including Tommy Thompson and John Engler, have objected to Republican proposals that would shift costs to the states and jeopardize the health and safety of children. In last week's letter to Chairman Archer, the governors wrote that "block grants must include appropriate budget adjustments that recognize agreed-upon national priorities, inflation, and demand for services. The cash assistance block grant does not include any such adjustments for structural growth in the target populations ... Governors will continue to protect abused and neglected children by intervening on their behalf and we believe that federal funding must continue to be available for these services."

Welfare Reform Daily Talking Points
Monday, February 27, 1995

OUR PLAN VS. THEIR PLOY

Today, in a speech to the American Public Welfare Association, Health and Human Services Secretary Donna Shalala lays out the fundamental differences between the President's vision for welfare reform, and House Republicans' "workfake." Our position remains, as Secretary Shalala says this morning, that "we want to fashion a bipartisan bill this year, but we will not endorse provisions in the House Republican proposal that undermine American values of work, family, responsibility, and state flexibility." Her speech also makes clear that the President is demanding two things from the Ways and Means Committee bill: real work requirements, and tough child support enforcement.

Highlights from the speech:

- o **Tougher work requirements.** Meaningful reform must be, first and foremost, about moving people from welfare to work. A paycheck, not a welfare check. That means insisting on parental responsibility, strengthening child support enforcement, preventing teen pregnancy, providing safe and reliable child care, offering education and training, and putting in place work requirements that have real teeth. The current House Republican proposal -- weak on work and tough on kids -- is not real reform. It's a ploy, not a plan.
- o **Responsible parenting.** Our approach also includes strong child support enforcement -- something the Republicans have agreed, at our urging, to add to their bill. Today, President Clinton signed an Executive Order that will make it easier to collect child support from federal employees. Our message to parents is clear: if you're not providing for your children, we'll garnish your wages, suspend your driver's and professional licenses, track you across state lines, and if necessary, make you work off what you owe. We're committed to holding both parents responsible for raising their children. It's the right thing to do -- and the smart thing to do. As the President said today, "Any parent who is avoiding his or her child support should listen carefully: we will find you, we will catch you, and we will make you pay."
- o **Increased state flexibility.** In just two years, the Clinton Administration has granted more welfare waivers than all the previous administrations combined. Today, the Clinton Administration granted a welfare reform waiver to Nebraska, making this the 24th state to receive a green light to implement welfare reform on a local level. Nebraska's demonstration program -- like others approved by our Administration -- is about strengthening families, keeping them together, and giving real hope to the next generation. That's welfare reform.
- o **Stronger families.** We're not willing to give up on teen parents. Because giving up on them would be giving up on the value of responsibility. Our approach provides time-limited benefits for teen mothers, but only if they live at home with their parents or a responsible adult, identify their child's father, and stay in school. As the President said today, "We need a welfare reform plan that is tough on deadbeat parents, not on innocent children."

Welfare Reform Daily Talking Points
Friday, February 24, 1995

"WORKFAKE"

Yesterday, Republicans in Congress offered more proof that they're weak on work and cruel to kids, by passing a bill to end the school lunch program -- and refusing to assure children safe child care while their mothers attend school and job training. Today's question: will they have figured out by Tuesday, when the Ways and Means Committee is scheduled to start action on their version of "welfare reform," that the real issue is work?

Our prediction: after reading today's issue of the *New Republic*, look for the committee to strengthen their work requirements and add tough new child support enforcement provisions to their bill -- actions the Administration has been urging for weeks.

Highlights from today's piece, aptly titled "Workfare Wimp-Out," include:

- o **Workfake.** "The House Republicans say they will put 'at least 1 million cash welfare recipients in work programs by 2003,' but the 'work' could be completely phony. Workfake, you might call it ... It's all the more fake because the Shaw bill provides no money to make it real."
- o **What is "work?"** "Under the bill, a governor could declare ... that checking a book out of a library counts as a 'work activity.' Leafing through the want ads might also qualify, or circulating a resume or attending a 'self esteem' class."
- o **Preserving the status quo.** "The bill unveiled by Shaw requires that, in 1996, states place 2 percent of the welfare caseload in 'work activities.' The requirement rises to 20 percent -- not the contract's 50 percent -- by 2003 ... With a little creative bookkeeping -- say, by counting all those who work, even for a few days, over the course of a year -- most governors could meet the 20 percent "work activity" standard without doing anything they're not already doing."
- o **Criticism from within.** "Robert Rector, the Heritage Foundation's welfare expert, called the Shaw work provisions a 'major embarrassment.' Jack Kemp issued a statement warning that Republicans were squandering welfare reform in the pursuit of a decentralized 'funding mechanism.'"
- o **The bottom line.** "The Republicans' welfare reform is looking less like a menace and more like a fraud."
- o **Even the *Washington Times*?** Last week, in a *Washington Times* editorial, Stephen Chapman sounded a similar theme, stating that Republicans "have made a wrong turn on the road to welfare reform. The issue is forcing recipients to accept work, or at least pursue it, as a condition of receiving benefits. President Clinton's plan to 'end welfare as we know it' would impose such a requirement after two years on the rolls, cutting off payments to anyone who refuses."

FIRST "BOYS TOWN," NOW "HOME ALONE"

Today, the Committee on Economic and Educational Opportunities will finish marking up the child care, child welfare, and child nutrition provisions in the House Republicans' welfare reform proposal. The Republicans continue to be tough on children and weak on work, focusing their most recent assault on child care. While claiming to move people into work, the Republican plan actually limits work opportunities by cutting the lifeline that child care provides. The committee bill reduces already scarce child care slots, pits working families against welfare recipients for child care assistance, and would make it harder, not easier, for single parents to leave welfare for work.

- o Home alone.** For Republicans, choice in child care means staying on welfare or leaving children home alone. The Republican plan reduces federal funding for child care by \$2.5 billion, or 20 percent, over five years. In the year 2000, over 377,000 child care slots would be lost under the bill -- even though real welfare reform will require more child care, not less, as single mothers leave the rolls for work. Nevertheless, the committee majority defeated an amendment last night that would have states provide child care for parents who they require to participate in work or training. This is no movie: the real world is far too dangerous for children to be left unsupervised and unprotected.
- o To work or not to work, that is the question.** Families should not have to choose welfare over work in order to care for their children. Already, many states report long waiting lists for working-poor child care. Under the Republican plan, states could be forced to make further cuts in assistance for these families if forced to divert funds to families on welfare. For example, California would lose slots for 33,130 children; New York for 22,830 children; and Pennsylvania for 14,930 children.
- o Working families protest.** Today, Senator Dodd and Representative Pelosi will join the National Association of Child Care Resource and Referral Agencies to speak out against the proposed child care cuts. Hundreds of working families from across America will visit members of Congress with personal stories about the importance of safe, affordable, and accessible child care.
- o The Clinton child care commitment.** The Clinton Administration believes that quality child care is essential to real welfare reform that moves people into work. As Secretary Shalala wrote to House committee members yesterday, "The Administration supports an approach to child care that genuinely supports work, for parents, and safety and healthy development for children. Such an approach must guarantee child care for families moving towards self-sufficiency, and must expand child care opportunities for working families who want to avoid welfare dependency. We believe that any serious proposal must ensure quality choices for parents, and provide for continuity of services for children and families."

TAKING FOOD FROM CHILDREN

Today, the Committee on Economic and Educational Opportunities begins marking up the child care and child nutrition provisions in the House Republicans' welfare reform proposal. The Republican plan would block-grant and reduce funding for federal child nutrition programs and the Special Supplemental Nutrition programs for Women, Infants and Children (WIC).

- o **The Clinton commitment to childhood nutrition.** The Clinton Administration is opposed to block-granting nutrition programs. We agree that these programs must be more flexible and easier for states to administer. But we won't support changes that jeopardize children's health. Only a national system of nutrition programs can establish and meet nutrition standards that respond to economic changes and ensure that children's health will be protected.
- o **Slamming school children.** The block grant proposal would cut federal funding for the school-based programs by \$2 billion over five years, and it would reduce WIC funding by \$5.3 billion over the same period. Under the block grant proposal, 400,000 fewer women, infants and children would be provided for than under the President's 1996 Budget proposal. Federal programs now expand to meet nutrition needs during recessions and increases in child poverty. But block grants won't protect children during economic downturns. Nutrition assistance would be reduced or unavailable when children need it most.
- o **Children must be fed.** As today's Washington Post editorial says, "The WIC program represents precisely the sort of thing the government should be doing, which is focusing on realistic efforts to help kids ... WIC works; there's no reason to turn it into a block grant. Similarly, the lunch program gives food directly to kids through the schools, with an accent on helping the poorest children." Federal nutrition programs provide a foundation for children to grow on -- childhood nutrition must be protected under welfare reform.
- o **Slashing standards.** National standards for nutrition protect children regardless of where they live. For the past fifty years, federal nutrition standards have helped children lead healthy lives. The Republican plan could create wide variations in nutrition standards across states, without any accountability mechanisms to ensure that those standards would be met. Children's health would suffer if states shifted resources away from nutrition programs to meet budget shortfalls.
- o **States and students would suffer.** Under the Republican plan's allocation formula, states that serve more total meals would fare better. Since it costs more to serve free meals to poor children, states would have an incentive to serve more affluent students. And without national standards, states might also be inclined to cut the quality or amount of food they provide in order to serve more meals overall.

Welfare Reform Daily Talking Points
Friday, February 17, 1995

THE WEEK THAT WAS

This week, House Republicans passed a bill out of subcommittee that is weak on work and tough on children. The Clinton Administration, members of Congress, governors, and former welfare recipients spoke out against the shortsighted and punitive provisions in the current Republican proposal.

- o **Secretary Shalala:** "The Administration looks forward to working cooperatively with the Congress in a bipartisan way to pass bold welfare reform legislation this year. The Administration has, however, serious concerns about a number of features of the [Republican proposal] that appear to undermine the values to which we are all committed. The Administration seeks to end welfare as we know it by promoting work, family and responsibility, not by punishing poor children for their parents' mistakes. Welfare reform will succeed only if it successfully moves people from welfare to work."
- o **Representative Steny Hoyer of Maryland:** "Welfare must become a step-up, not a step-down. Welfare reform must reconnect recipients to the world of work and reestablish the traditional American values of family, work, and individual responsibility."
- o **Representative Harold Ford of Tennessee:** "The bill we are about to approve is mean-spirited and shortsighted. It punishes children for the mistakes of their parents, and it asks us to embark on a great experiment. But that experiment is using our most important -- and vulnerable -- resources as guinea pigs. I won't be part of an experiment that uses America's children as crash test dummies."
- o **Governor Tom Carper of Delaware:** "The Republican ADFC proposal is the first of several that, when taken together, would deny welfare recipients who go to work in low-wage jobs the child care, health care and nutrition assistance they need to keep their children healthy and safe. That is simply impractical and wrong."
- o **Representative Sander Levin of Michigan:** The Republican plan would "send the bucks and get out of the way, no matter who the kids are, the level of abuse, or the failure of the state to do a good job."
- o **Ellen T. Harold, former welfare recipient, quoted in *U.S. News and World Report*:** "I have yet to see any mention of the accountability and responsibility of the father ... This should be a major focus of any welfare reform as most of the women receiving Aid to Families with Dependent Children do so because of lack of child support."

**Welfare Reform Daily Talking Points
Thursday, February 16, 1995**

REPUBLICAN PLAN WOULD CUT FUNDS TO STATES

Yesterday, House Republicans passed a bill out of subcommittee that gets welfare reform backwards. Weak on work and tough on kids, the Republican legislation does nothing to truly reform the welfare system. Today, Democratic members of Congress and governors will join together to point out another fundamental flaw in the current bill: it would create a massive cost shift to states.

- o **Passing the buck to the states.** While certain states would fare worse than others under the current Republican funding proposal, all states would suffer in the end. States would lose almost \$18 billion in federal funding over five years under the Republicans' plan to block grant AFDC cash assistance and child welfare funding. This capped block grant would not adjust for recessions, population growth, or other events that could increase the need for services -- even though the National Governors Association recently adopted a bipartisan policy statement insisting that any welfare reform proposal must address these factors.
- o **Governors speak out.** In order to create real, lasting welfare reform that rewards work, requires parental responsibility, prevents teen pregnancy, and reduces welfare dependency, states must have adequate resources to get the job done. As Governor Carper said in a letter to the other governors this morning, "I understand that this block grant proposal does not include adjustments for recessions, population growth, disasters, and other events that could result in an increased need for services." Governor Carnahan also said today that "Democratic Governors want real welfare reform that moves people from dependency to self-sufficiency, from the welfare rolls to private payrolls. The Republican plan doesn't help us achieve that goal."
- o **Children would lose.** Governor Carper also noted the risk to children in today's letter to governors. "I believe that this proposal's reduction in funding and lack of a safety net threatens to limit the very flexibility we seek to make work pay more than welfare. In particular, I have deep concerns about this proposal's impact on children."
- o **Reform must be real.** The Administration remains committed to working with Congress and the nation's governors to craft bipartisan welfare reform legislation that is tough and fair. The American people want to see the welfare system changed from one that is about a paycheck, not a welfare check. That means that its central focus must be to move single parents off welfare and into a private sector job so they can support themselves and their families.

**Welfare Reform Daily Talking Points
Wednesday, February 15, 1995**

THIS IS WELFARE REFORM?

Today, the Subcommittee on Human Resources is expected to finish action on the House Republicans' welfare reform plan, marching in lockstep to pass the wrong-headed proposals in the *Contract with America*. On Monday, Republicans refused to accept Democratic amendments to strengthen their weak work requirements. Yesterday, they insisted on reducing federal assistance to abused, neglected and abandoned children by billions of dollars. Today, they're expected to turn their attacks against disabled children, postpone action on child support enforcement, and pass a bill that gets the problem right -- but the solution fundamentally wrong.

- o **Still weak on work.** On Monday, Republicans voted against requiring teen mothers to stay in school and participate in education and training as a condition of receiving benefits. They stuck with meaningless work requirements that would have even fewer welfare recipients working than under current law. And Democrats had to force the subcommittee majority to add even a modest penalty for states that don't meet the bill's minimal work standards.
- o **Still cruel to kids.** The Republican approach is clear: punish children for their parents' mistakes, and abandon the federal role for protecting abused and neglected children. Today, they will go even further -- and Democrats will offer amendments to protect disabled children from arbitrary benefit cuts. Republican plans to cut back on SSI come at a time when a blue-ribbon commission is already studying more thoughtful reforms -- and offer more proof that cruelty, not caring, is the Republican approach to change.
- o **All punishment and no parental responsibility.** After promising to add child support enforcement provisions to their bill, Republicans now plan to postpone action on child support for weeks -- until the bill reaches the full committee. Just last week, President Clinton urged Republicans to support strong child support enforcement. "If we're going to end welfare as we know it," he wrote Chairman Shaw, "we must make sure that all parents -- fathers and mothers alike -- take responsibility for the children they bring into this world." This remains the Administration's position -- and Democrats will take the battle to the full committee.
- o **Right problem, wrong solution.** Democrats believe that the welfare system must be fundamentally reformed -- but in a way that rewards work, requires parental responsibility, and prevents teen pregnancy and welfare dependency. Weak on work and cruel to kids, the Republican legislation does nothing to truly reform the welfare system. We won't have ended welfare as we know it until its central focus is to move single parents off welfare and into a private sector job so they can support themselves and their families.

Welfare Reform Daily Talking Points
Tuesday, February 14, 1995

REPUBLICAN ASSAULT ON CHILDREN CONTINUES

Today, the Subcommittee on Human Resources will continue to mark up the House Republicans' welfare reform plan, focusing on provisions to eliminate or reduce federal assistance to abused, neglected and disabled children. The Republican assault on children began late last night, as the subcommittee majority continued to insist that unwed teenage mothers and their children be ineligible for assistance. The Republican proposal would simply end benefits to these young mothers, while doing nothing to address the critical problems of teen pregnancy and welfare dependency.

- o **Short on work, long on punishing kids.** Yesterday, Secretary Shalala sent a letter to subcommittee members restating the Administration's position that the Republican bill punishes innocent children, while doing nothing to require serious work-based reform. "It does nothing to move people from welfare to work, and it does not require everyone who can work to go to work," she wrote. "It puts millions of children at risk of serious harm. There are alternative approaches to reform that achieve our mutual goals in far more constructive and accountable ways."
- o **Their solution: orphanages.** Last night, House Republicans stuck with their position on orphanages, defeating a Democratic amendment that would assure that children would not be taken from their homes simply because of the economic circumstances, age, or marital status of their parents. Republicans also defeated a Democratic amendment that -- instead of cutting off aid to teen mothers entirely -- would condition benefits on a minor mother agreeing to live at home, stay in school, and identify her child's father.
- o **More cruelty to kids.** Today, Republicans are expected to insist on child welfare provisions that would reduce federal assistance to abused, neglected and abandoned children by \$5.6 billion. Along with the provisions cutting off assistance to disabled children, and to children born to unmarried mothers under 18, this portion of the Republican plan represents a new level of cruelty to children.
- o **Republicans say it best.** In today's *Wall Street Journal*, Senator Olympia Snowe specifically criticized the requirement that states eliminate federal assistance for all unmarried parents under age 18. "Denying them payments isn't going to rectify a bad situation," she said. "It's going to make it worse for the child and the teenager who is having the baby." Representative Henry Hyde made a similar point last week in a *New York Times* interview. "The children need clothing, shelter, and nurture," he said. "You don't want to reward promiscuous pregnancy, but on the other hand, you don't want to make the children suffer for the transgressions of their parents." And the Heritage Foundation's Robert Rector told *Knight Ridder* that "This is major embarrassment to many Republicans. They have whittled down the work requirement to nothing."

Welfare Reform Daily Talking Points
Monday, February 13, 1995

**WELFARE REFORM MUST BE STRONG ON WORK,
NOT CRUEL TO CHILDREN**

Today, Clay Shaw's House Subcommittee on Human Resources begins marking up the Personal Responsibility Act, the welfare reform plan contained in the *Contract with America*. Over the past week, Democrats have united against the Republican proposal, which is tough on children and low-income families, but weak on requiring work. As House Democratic Leader Richard Gephardt said on Friday, "for the Republicans, welfare reform is just a way of passing the buck, kicking people off the welfare rolls, and leaving innocent children out in the street."

- o **In fact, the work requirements in the Personal Responsibility Act would be weaker than those under current law.** In 1996, under current law, 11.5 percent of welfare recipients (595,000 people) would be working -- either in part-time private sector jobs or in mandatory work programs. In contrast, under the Republican plan, only two percent of welfare recipients (105,000 people) would be required to participate in "work activities" in 1996.
- o **President Clinton's principles for welfare reform will not change.** As he said in his State of the Union address: "We have to help those on welfare move to work as quickly as possible, to provide child care and teach them skills if that's what they need for up to two years. And after that, there ought to be a simple hard rule: anyone who can work must go to work."

This Administration believes that:

- o **Welfare reform must be about a paycheck, not a welfare check.** We won't have ended welfare as we know it until the central focus of the program is to move people off welfare and into a private sector job so that they can support themselves and their families.
- o **Our goal must be to lift people up from dependence to independence, not to punish them because they happen to be poor, young, or unmarried.** We intend to work with Congress on a bipartisan basis, but we continue to oppose any plan to deny assistance to young mothers, break up families, punish children for their parents' past mistakes, or put children in orphanages.
- o **Tough child support enforcement must be a centerpiece of welfare reform.** We're pleased that House Republicans intend to adopt our proposals for child support enforcement, which was a key agreement reached at the Working Session on Welfare Reform. If we're going to end welfare as we know it, we must make sure that all parents -- fathers and mothers alike -- take responsibility for the children they bring into this world.

WR Talking Pts

THE WHITE HOUSE
WASHINGTON

TALKING POINTS
NGA LEADERSHIP MEETING
December 8, 1994

* Thank you for coming here to talk with us about welfare reform, health reform, the Balanced Budget Amendment, and other issues. I hope we can work together across party lines in the coming months to have a real contest of ideas that will be good for the country.

* One of the things I miss most about being a governor is the real spirit of bipartisanship and working together to solve problems that is thriving in state capitols across the country but is not so common here in Washington. Whatever else they said in the elections, the American people made clear that they are tired of partisan wrangling and pointing fingers. They want us to put country over party, and just get the job done.

* I want to work closely with all of you because I feel that without regard to party, we have a great deal of common ground:

* As a former governor, I'm a big believer in state flexibility. We've given 9 waivers on health care and 20 on welfare reform -- more than either of my predecessors did in his term -- and I want to keep up the push to free you from federal red tape.

* Like you, I want to see the federal deficit come down --- and I am looking forward to getting back the line-item veto. But I also don't want Washington to do to you in the '90s what it did to us all in the '80s, with a lot of fancy bookkeeping that just shifts new costs down to the state level.

* Finally, I believe that no matter how hard politicians in Washington may try to take credit, we'll never really solve any of these problems if all we do is make it harder for you to make progress on them in the states, where the rubber hits the road.

* So I hope that we can work together and agree that whether we're talking about a welfare reform bill or a health reform bill or a balanced budget amendment, if it's not a good deal for the states, chances are it's not a good deal for the country -- and we'd better change it so that it is one.

-- continued --

* Today, I'd like to talk in particular about welfare reform, which is going to be a top priority for my Administration and the country in the next year. It's about time we had a national debate on this issue, and put a spotlight not only on the urgency of the welfare crisis, but on the innovative things that so many of you around the country are doing.

* I think our fundamental goal in welfare reform is to prove to the hard-working people of this country that we're putting their government back in line with their values -- work, responsibility, family -- and also that we're not just doing whatever sounds good politically, we're really taking the problem head on.

* When we sit down to hammer out a welfare reform bill, we should ask ourselves: Will it move people from welfare to work? Will it make parents take responsibility for paying their child support? Will it strengthen the family in this country, not divide families or harm children? And at the end of the day, will it make it easier for states to try new approaches and not just leave you to pick up the pieces and pick up the tab?

* I want to ask you to help me start this national conversation, by coming back here to Washington next month for a bipartisan national summit on welfare reform, similar to the economic conference we held two years ago in Little Rock. Gov. Thompson and Gov. Dean, I hope you and your lead governors on welfare reform (Carper and Engler) will take part.

* The purpose of this summit will be to make clear that welfare reform should be at the very top of the country's agenda, and that we should do whatever it takes to find a real, lasting, bipartisan solution.

* I see it as an opportunity to educate the public about the issue by listening to those who know most about it -- governors like you, local officials, experts, success stories, and most important, people on welfare who want to work, parents who want their children to get their child support, and taxpayers who want a government that reflects their values.

* It will also be a chance for us to put country over party, and do what we so seldom do here in this town, which is reach outside Washington to solve real problems.

* I hope we and our staffs can work together in the months ahead to do what's best for citizens of the states and the country.

W2-Talking Pts

PRESIDENT'S STATEMENT
WELFARE REFORM
December 8, 1994

Today, in a meeting with governors from both parties, I announced that the White House will convene a national bipartisan working session on welfare reform next month.

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

I have called for this session as a first step in an honest dialogue about our country's broken welfare system and what we must do to fix it. Washington doesn't have all the answers, and government doesn't, either. Every one of us in this country has to begin taking individual responsibility for turning this country around.

I have worked on this issue for my whole career in public life. When I was a governor, I worked closely with President Reagan and Senator Moynihan to develop the bipartisan consensus that led to passage of important legislation to strengthen families and move people from welfare to work.

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

People want their leaders to stop the partisan bickering, come together, and roll up their sleeves and get to work. This meeting will be the beginning of a new day not just for the welfare system, but for how our government works.

WELFARE REFORM Q&A

Q. What is it?

A. The White House will convene a national bipartisan working session on welfare reform. Welfare reform is a top priority for the Administration, the new Congress, governors, and the American people. This meeting is the first step in bringing leaders together from around the country and across party lines to look for common ground on the problems and solutions to welfare reform.

Q. What do you expect from this session?

A. There are plenty of different ideas in both parties and around the country about how to overhaul the welfare system. We don't expect to reach consensus on legislation at this session, but our hope is that participants will come with an earnest interest in finding areas of agreement and disagreement. We hope that the bipartisan atmosphere can lead to an honest debate, in which leaders from around the country may realize that when you put politics aside, the distance between their goals for welfare reform is not so great.

Q. Why are you doing this?

A. The American people want their elected officials to put aside their partisan differences and work in new ways to solve their problems. We think this meeting can begin to do just that. We don't want to let partisan differences or politics get in the way of fixing a welfare system that all Americans without regard to party agree needs fundamental change.

Q. When and where will this meeting take place?

A. In Washington, at a site and date to be announced soon.

Q. Who will come?

A. The meeting will bring together elected officials from both parties and around the country -- governors, members of Congress, mayors and county officials.

Q. What does this mean for the Clinton Administration's welfare reform bill?

A. We introduced a good, strong, centrist bill this year that was based on the President's fundamental principles and lifetime of work on this subject -- work requirements, time limits, the toughest possible child support enforcement, preventing teen pregnancy, and eliminating fraud and abuse. We'll put our ideas on the table in the new Congress, and so will others. The important thing is that we are all committed to working across party lines and listening to leaders at all levels of government to produce real, lasting welfare reform.

Q. Does this mean everything is on the table, including orphanages?

A. No. Our principles haven't changed. This Administration is firmly opposed to the Republican Contract's orphanage proposal which would cost billions of dollars, create a new government bureaucracy, and divide families instead of strengthening them. But we believe that there are many solutions to teen pregnancy, welfare dependency, deadbeat parents, etc. on which both parties and the overwhelming majority of Americans can agree.

Q. What role will Speaker Gingrich and other Republican leaders play in this session?

A. We look forward to and welcome his participation, and the participation of other Republican leaders.



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Melissa T. Skolfield

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Kathy Mays

Fax: 456-7431 Phone: _____

Date: Oct 3rd Total number of pages sent: 3

Comments:

CBO talking points for Bruce's
review.

Thank you —
Amy

Draft Talking Points

GENERAL: Our welfare reform legislation has proposed unprecedented changes in the welfare system, including a two-year time limit on cash benefits, and some disagreement about cost estimates is to be expected. CBO's numbers are preliminary, and subject to change. Traditionally, CBO has been very conservative about predicting the savings that will come from changing behavior with new incentives to reward work and responsibility. Before preparing our own estimates, we carefully examined a variety of state welfare reform efforts that have been very successful. We look forward to working with CBO, and to fully analyzing their findings. We remain committed to passing welfare reform legislation that is meaningful, bold and budget-neutral.

IF ASKED/FINANCING: The difference on the revenue side is primarily due to one provision, which CBO could not score under its budget rules because the final language was not in the welfare reform legislation.¹ (At the time the Work and Responsibility Act was introduced, the language was part of another bill, which was in conference.) Other differences are due to technical disagreements, such as using different baselines for some sections of the bill. We remain committed to passing welfare reform legislation that is meaningful, bold and budget-neutral.

IF ASKED/OUTLAYS: Most of the difference on the outlay side have to do with child care. Some of this difference is attributable to a difference of opinion about the cost of child care, particularly for school-age children. We made what we believe is a reasonable assumption: that states will try to arrange mothers' training and work schedules around the typical school day whenever possible. This would be in the best interests of states, mothers, and children. A smaller part of the differential is due to varying estimates of the expected demand for child care by single mothers with young children. Our estimates were based on very carefully evaluated studies and we believe they are solid.

There were other, smaller differences in our estimates, and we look forward to working with CBO to understand the technical disagreements that caused them. The Administration took what we felt to be a realistic approach to cost estimates. In general, our assumptions were based on the actual experiences of program managers in the field who are implementing JOBS and welfare-to-work programs. We carefully examined a variety of state welfare reform efforts that have been very successful, and we believe our estimates are solid.

IF ASKED/JOBS/WORK DIFFERENCES: CBO has traditionally been very conservative about predicting the savings that will come from changing behavior with new incentives to reward work and responsibility. Before preparing our own estimates, we carefully examined a variety of state welfare reform efforts that have been

very successful. We relied primarily on one very carefully evaluated demonstration, the Saturation Work Initiative Model (SWIM) in San Diego.

Like our plan, SWIM emphasizes job search activities, work, education and training, and sanctions for those who do not follow the rules. Over a five-year period, the program increased participant earnings by an average of \$2,076 per single-parent family. About 75 percent of the single-parent participants were employed at some time during the evaluation period, and for welfare recipients who would not have worked at all in absence of the program, SWIM led to a significant 20 percent increase in employment. For every dollar spent, SWIM returned more than \$2.30 per participant in terms of reduced welfare costs. Reductions in AFDC payments totaled almost \$2,000 over five years for each family -- savings that were almost twice the program's net costs.

1. This is the SSI DA&A provision, scored at \$800 million.

WR - Talking Pts.

TALKING POINTS -- CITIZEN JURY

I. Intro

1. Congrats on what you're doing. We're eager to ^{hear} see what you recommend. I've spent much of the past year traveling the country talking to people about this issue, and I've learned more from that than from all the meetings I've been to here in Washington. More than anything, welfare reform is about values and about common sense -- and as Tim Penny may have mentioned, those are two things that Washington isn't particularly good at.

2. Thank you for letting me do this by phone. I would have loved to come to Minnesota, but the plan I've been working on for the past year is going to be announced on Tuesday, and I had to stay here and get it done. But I've got the bill right here in front of me, and if you have any good suggestions, it's not too late for me to try to add them at the last minute.

3. I'd like to ^{quickly} go over the highlights of ^{the bill} our plan, I hope you'll feel free to interrupt if something I say doesn't make sense. ~~I won't be able to see your puzzled reactions or if you're making faces at the phone.~~ ^{and some then heard but you think} Also, ~~for what it's worth,~~ I'm not a lawyer, and I've never appeared in front of a jury as either an attorney or a defendant, ^{so please help me out.}

(let alone on a speaker phone)

II. Overview

1. One reason this is such a great issue for a citizen jury to ^{take up} decide is that almost everyone in America agrees on what the problem is: ^{Over the past year,} The current welfare system doesn't work, and it probably does more harm than good. [^] We've had public hearings all over the country, we've talked to hundreds of people who are on welfare or work in welfare offices or who are taxpayers wondering where their money has gone -- and I don't care if you're Dem or GOP, liberal or conservative, rich or poor, there is nothing good to say about the current system. And the people who hate the welfare system the most are the people on welfare who are trapped by it.

2. Welfare has become a symbol of what people think is wrong with govt: It defies common sense. It spends money without really helping people. And it undermines the very values it ought to be reinforcing: values like work, family, opportunity, and personal responsibility.

3. Instead of ... (go to vision) (A), p. 1

4. Just as most people seem to agree on the problem, there's a remarkable amount of agreement across party, racial, and class lines about the solution. Regardless of party, we have found most people agree that the only way to fix the system is to move away from a system based on welfare toward a system that's based on work. The way to restore the family is to say that people who bring children into this world -- fathers and mothers -- have a responsibility to raise those children. And the way to end welfare for good is to start by ending welfare for the next generation, the young people at risk of coming onto the system.

III. Our Plan

The President's welfare reform plan has three major elements:

1. **Work:** We believe in rewarding work, because people who work shouldn't be poor. But we also believe that anyone who can work should go to work, because work is the best social program this country has ever devised. We think people ought to get a paycheck, not a welfare check.
2. **Responsibility:** We could have all the govt programs in the world and it won't make a difference if people don't do right. We want to put a sense of personal responsibility back at the heart of everything we do. That means making absent parents pay child support, because we can't just let fathers walk away from their children. It means designing a system that rewards people for playing by the rules, not for doing the wrong thing. And it means upholding our responsibilities to the taxpayers by stopping those who try to cheat the system and by putting incentives in the system to insist on results.
3. **Ending welfare for the next generation:** In the long run, the only way we're going to end welfare is if we reduce the number of people who are coming on it. The current system sends young people all the wrong signals. We want to send a clear signal to young people that welfare can no longer become a way of life.

IV. WORK

1. What we've already done to reward work: (p. 7)
 - EITC
 - Health reform
 - Together, those changes could move hundreds of thousands of families off welfare or keep them from going on in the first place.
2. We believe that any plan needs to do three things to move people from welfare to work:
 1. Change the culture of the welfare office to get out of the business of writing checks for life and into the business of helping people immediately to find and keep jobs.
 2. Time limits, to send a clear signal that no one who can work can stay on welfare forever, and to make welfare what it was meant to be: a second chance, not a way of life.
 3. A work program for people who have hit the time limit and still can't find a job. Those people will still get assistance, we won't put them and their families on the street, but they'll have to work in return for the help they get.
3. Changing the culture of welfare to focus on work: (vision, p. 2)
 - Job search first
 - Social contract/employability plan
 - Work, not training
 - Get rid of exemptions: everybody does something

4. Time limits: We've said two years, but if states want to require work sooner, they can.
-- Extensions for people finishing a GED

5. WORK program: Anyone who can work will have to go to work.

p. 3

V. RESPONSIBILITY

1. CSE - p 5

2. Incentives - p 6
-- incentives to reward respons behavior
-- family cap

3. Acctability for Taxpayers - p 4
-- tracking system
-- fraud detection
-- reward results

VI. ENDING WELFARE FOR THE NEXT GENERATION pp 5-6

1. Rise in unwed teen mothers
2. Natl campaign against teen pregnancy
3. New reqts for teen parents
4. Phase in starting with those born after 1971

VII. HOW MUCH IT COSTS AND HOW TO PAY FOR IT

1. WR costs money in short run, pays off over time.
2. Our plan costs a little less than \$10b over 5 yrs, \$4b a yr after that
-- States would pay some, but mostly fed. govt
3. Hardest part has been finding money. We didn't want to raise taxes.
 1. Immigrant Benefits: \$4b
 2. CSE, fraud, caseload \$1b
 3. EA loophole \$2b
 4. DAA/cash for addicts \$1b
 5. Make polluters pay \$2b



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Melissa T. Skolfield
Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853 Fax: (202) 690-5673

To: Bruce Reed

Fax: _____ Phone: _____

Date: _____ Total number of pages sent: 17

Comments:

Continued

Welfare Reform Working Group
Talking Points: **SANCTIONS**
July 21, 1994

"We should encourage teen parents to live at home, stay in school, take responsibility for their own futures and their children's futures. And the financial incentives of the welfare system ought to do that instead of just the reverse. We have to change the signals we are sending here."

President Clinton, Kansas City 6/14/94

President Clinton's welfare reform plan provides opportunity and supportive services, but it also demands responsibility. People who refuse to participate in the JOBS program or fulfill their WORK obligations will be sanctioned. Expectations -- and consequences -- will be clear.

Conditional AFDC benefits work. A rigorous evaluation of one such program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services.

Under our proposal, individuals who fail to participate in education, training, or employment as required during the first two years will lose cash benefits, and Food Stamps and housing assistance will not increase to offset that loss. The amount lost will correspond to the adult's share of the AFDC grant.

Successive violations will result in longer benefit suspensions. As in the 1988 Family Support Act, after the first violation adults will lose benefits until they begin to comply. A second violation results in sanctions for three months or until compliance, whichever is longer. Third and subsequent failures result in sanctions for six months or until compliance, whichever is longer.

Broader sanctions are imposed on WORK participants who fail to comply with the program's requirements without good cause. Participants who don't work will not be paid. Individuals will also be sanctioned for quitting jobs without good cause; losing jobs for misconduct; or failing to engage in required job searches. After a first violation, families lose half their cash grants -- about \$200 -- for one month or until compliance, whichever is sooner. After a second violation, families lose half their cash grants for three months or until compliance, whichever is longer. A third sanction ends the family cash grant for three months or until compliance, whichever is longer. Fourth and subsequent occurrences eliminate the family's grant for six months or until compliance, whichever is longer. Food Stamps and housing assistance will not rise to offset the loss, and individuals will be ineligible for WORK assignments during the penalty period.

Both before and after the two-year time limit, recipients refusing to accept private sector jobs without good cause will lose family cash benefits for six months or until they accept private sector jobs. After reaching the two-year time limit, WORK participants will experience the same sanction faced by ordinary workers: lost wages for hours not worked. Former recipients who have reached the time limit and who quit unsubsidized jobs without good cause will be ineligible for the WORK program for three months.

Safeguards will ensure fairness. If states fail to provide services specified in the employability plan, they must grant extensions past the two-year limit to JOBS participants. States will continue existing notice and hearings protection, and recipients will receive benefits during the hearing/appeals process. After the second WORK sanction, states will evaluate the family's need for other services. And job search assistance will continue during WORK sanctioning.

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

Welfare Reform Working Group
Talking Points: **WHERE ARE THE JOBS**
July 21, 1994

"But to all those who depend on welfare, we should offer ultimately a simple compact. We will provide the support, the job training, the child care you need for up to two years, but after that anyone who can work, must, in the private sector wherever possible, in community service if necessary. That's the only way we'll ever make welfare what it ought to be: a second chance, not a way of life."

President Clinton, State of the Union address 1/25/94

Many AFDC recipients already leave welfare for unsubsidized employment. Currently, 70 percent of recipients leave welfare within two years and 90 percent leave within five years. Women leave to enter work in fully half of these cases. But child care dilemmas, health crises, and low wages now cause most women who leave welfare to eventually return.

The child care and child support improvements in our plan, along with the Earned Income Tax Credit and health care, will eliminate the major obstacles to employment. Our plan provides a year of transitional child care for women moving from welfare to work, in addition to increasing child care for the working poor to bolster families just above the poverty line. The expanded EITC will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for a typical family with two children. A full-time working mother with two children will have an after-tax income of almost \$14,000 even if she works at a minimum wage job. Since most former AFDC mothers work at wages that are a dollar or two above the minimum, they will typically have incomes in the neighborhood of \$16,000 to \$18,000 a year. And universal health care will allow people to leave welfare without worrying about coverage for their families.

Positions will be available for women moving off welfare. The Bureau of Labor Statistics predicts faster job growth over the next 20 years, with employment increasing by more than 25 million jobs by the year 2005.¹ At least 10 of the 15 occupations expected to grow most quickly do not require advanced education.² In addition, because of normal turnover, there are at least 30 million job openings a year, a very large proportion of them in entry-level jobs. Welfare recipients will represent less than 5 percent of the women who find new entry-level jobs every year.

In addition, by the year 2000, we will be creating 400,000 subsidized jobs. These positions will be available for those who hit the time limit without finding unsubsidized employment.

Transitional education and training programs will prepare recipients for the workplace and increase long-term earnings potential. President Clinton's plan requires all teen parents to finish high school and all recipients to participate in training and work preparation through the JOBS program. This approach builds on successful state and local models. In California, for example, JOBS participants' earnings increased an average of 24 percent over the control group average after the second year--55 percent at one site.³

Even a minimum-wage job is an important step toward self-sufficiency. As women gain job skills, work experience--and faith in themselves--they will progress to better-paying jobs and real financial stability.

1. The service-producing sector will grow most, with an estimated 25 million additional jobs. The need for home health aides will increase by 138 percent; for personal and home care aides, by 130 percent; for child care workers, by 55 percent; and for food preparation workers, by 43 percent. Moderate alternative projection, cited in George Silvestri, "The American Work Force, 1992-2005: Occupational Employment: Wide Variations in Growth," Monthly Labor Review, November 1993. Occupational Outlook Quarterly also supplies a list of growing job areas (fall 1991, p. 30).
2. Isabel Sawhill, Office of Management and Budget, quoted in Employment and Training Reporter, April 20, 1994, p. 605.
3. Manpower Demonstration Research Corporation studies of GAIN/Riverside, quoted in Bane/Eilwood testimony.

WR-Talking Points

Working Group on Welfare Reform
Talking Points: **THE WORK PROGRAM**
June 11, 1994

"We will scrap the current welfare system and make welfare a second chance, not a way of life. We will empower people on welfare with the education, training, and child care they need for up to two years so they can break the cycle of dependency. After that, those who can work will have to go to work, either by taking a job in the private sector or through community service."

Governor Bill Clinton, National Economic Strategy 6/21/92

Under President Clinton's welfare reform plan, the WORK program will demand responsibility by requiring those without private sector jobs after two years to accept WORK assignments. Young parents who reach the two-year time limit without finding permanent employment will gain work experience in temporary WORK slots, even as they move toward unsubsidized employment.

President Clinton's welfare reform proposal emphasizes work, not "workfare." Unlike traditional "workfare," recipients will only be paid for hours worked. Most jobs would pay the minimum wage for between 15 and 35 hours of work per week.

To make WORK programs appropriate to local labor markets, we encourage state flexibility and community-based initiatives. State governments can design programs to fit local labor market needs: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants.

We require anyone entering the WORK program to first exhaust private sector alternatives. Each participant must conduct an intensive job search before receiving a WORK assignment, and those who repeatedly refuse to seek permanent jobs will be removed from the rolls. Anyone seeking an additional WORK assignment must complete a mandatory job search before each assignment. The goal is to keep WORK participants searching for private sector jobs and to keep WORK assignments to a minimum.

To move people into the workplace as quickly as possible, our proposal makes WORK assignments less attractive than unsubsidized alternatives. No WORK assignment will last more than 12 months, and participants in subsidized jobs will not receive the Earned Income Tax Credit. Reform will continually make welfare a transitional system leading to unsubsidized work.

Those unwilling to accept WORK assignments or available private sector jobs will be sanctioned. To create a new culture of mutual responsibility, we will provide recipients with services and work opportunities, but implement tough, new

requirements in return. Anyone who repeatedly fails to meet the WORK program's demands will be removed from the rolls, as will people who turn down unsubsidized private sector jobs.

States would be given the option of evaluating whether recipients who have held subsidized jobs for two years had made good-faith efforts to obtain unsubsidized jobs. After two years in the WORK program, recipients can be placed in structured, closely supervised job search programs to determine if they are making good-faith efforts to obtain unsubsidized jobs. Those who were found to have failed to apply for open unsubsidized jobs, who failed to cooperate with potential employers, or who had turned down job offers would be removed from the program and barred from applying for further subsidized work for six months.

However, participants who are willing to work and play by the rules will not be left without a way to provide support for their families. Parents who genuinely do everything expected of them will continue to have work opportunities.

Welfare Reform Working Group
Talking Points: PHASE-IN
June 11, 1994

President Clinton's welfare reform plan correctly targets initial resources to the youngest third of the caseload: young single women with the most at risk.¹ The new system will direct limited resources to send a strong message to teenagers that welfare as we know it has ended; most effectively change the culture of the welfare office to focus on work; and allow states to develop effective service capacity.

Applying the reforms to young mothers first sends a clear and unambiguous message to adolescents: you should not become a parent until you are able to provide for and nurture your child. Every young person will know that welfare has changed forever.

This approach is reinforced by other elements in the plan which show teens that having a child is an immense responsibility rather than an easy route to independence. From the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe.

The phase-in strategy also responds to state needs for manageable initial caseloads. A fully implemented reform program would increase participation in the JOBS program from ???? to ??? million virtually overnight: a 400% increase. Moving so swiftly would create enormous administrative difficulties for states.

Forced to help millions of JOBS clients and create hundreds of WORK slots, states would almost certainly be unable to deliver meaningful services. Our plan ensures that training and work slots will be available, that real work is demanded, and that sanctions can be enforced. Under the Republican plans, states would have difficulty creating work slots quickly enough--leading to waiting lists and unenforceable requirements.

States could opt to phase in the welfare reform program more broadly and quickly. Based on our experience with the Family Support Act, we assume that many states will implement the new law gradually. But states which want to go further faster will be able to--with federal matching funds.

The House and Senate Republican welfare plans (HR 3500 and S 1795) ignore these issues, requiring states to create 700,000 (?) subsidized jobs within eight years. In addition, while state costs would inevitably grow, the Republican bills provides no additional federal matching dollars for work and training programs, child care, or other services.

¹Women born after December 31, 1971

Welfare Reform Working Group

Talking Points: **CAN FORMER RECIPIENTS GET JOBS/ WHERE ARE THE JOBS**

June 11, 1994

Many AFDC recipients already leave welfare for private sector employment.

Currently, 70 percent of recipients leave welfare within two years and 90 percent leave within five years. In fully half of these cases, women leave in order to enter work. But child care dilemmas, health crises, or temporary unemployment cause most women who leave welfare to cycle back on eventually.

The Earned Income Tax Credit (EITC), health care, and child care will eliminate obstacles to employment. The expanded EITC will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for a typical family with two children. Universal health care will allow people to leave welfare without worrying about coverage for their families. And our plan increases child care for the working poor to bolster families just above the poverty line, in addition to providing a year of transitional child care for women moving from welfare to work. With a full-time minimum-wage job, Food Stamps, and the EITC, a former AFDC mother's earnings would be 10% above the poverty line.¹

Positions for women moving off welfare will be available. The Bureau of Labor Statistics predicts faster job growth over the next 20 years, with employment increasing from 121.1 million in 1992 to 147.5 million in 2005.² Occupations expected to provide the most new jobs include retail sales, cashiers, office clerks, janitors, and food service workers.³ At least 10 of the 15 occupations expected to grow most quickly do not require much education.⁴ Job prospects for women are especially bright: over the last two decades, the unemployment rate for women has actually fallen relative to that for men.⁵

¹Isabel Sawhill, Office of Management and Budget, quoted in Employment and Training Reporter.

² The service-producing sector will grow most, with an estimated 25 million additional jobs. The need for home health aides will increase by 138 percent; for personal and home care aides, by 130 percent; for child care workers, by 55 percent; and for food preparation workers, by 43 percent. Moderate alternative projection, cited in George Silvestri, "The American Work Force, 1992-2005; Occupational Employment: Wide Variations in Growth," Monthly Labor Review, November 1993. Occupational Outlook Quarterly also supplies a list of growing job areas (fall 1991, p. 30).

³Urban Institute Conference April 12-14, 1994, reported in the Employment and Training Reporter 4/20/94.

⁴Isabel Sawhill, Office of Management and Budget, quoted in Employment and Training Reporter.

⁵1994 Economic Report of the President, table B-34. Cited in Rebecca Blank, "Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs," presented at an Urban Institute Conference April 12-14, 1994, p. 3.

Women on AFDC are employable. Already, more than 40 percent of women receiving AFDC for two years work at some point during that time.⁶

Transitional education and training programs will ready recipients for the workplace and increase long-term earnings potential. President Clinton's plan requires all teen parents to finish high school and all recipients to participate in training and work preparation through the JOBS program. This approach builds on successful state and local models. In California, for example, JOBS participants' earnings increased an average of 24 percent over the control group average after the second year--55 percent at one site.⁷

Even a minimum-wage job is an important step toward self-sufficiency.

⁶This reported percentage is likely lower than the actual percentage, because the present welfare system discourages AFDC recipients from reporting work.

⁷Manpower Demonstration Research Corporation studies of GAIN/ Riverside, quoted in Bane/Ellwood testimony. A recent study of the federal Job Training and Partnership Act found that participants had higher salaries and were more likely to obtain and keep jobs. Sixteen percent of JTPA participants were above poverty level in the first post-program year, compared to 2% of non-program participants (National Commission for Employment Policy 6/94). Other examples of increased post-training earnings include the Supported Work Demonstration in the late 1970s, which raised unsubsidized annual earnings for participants by 46% of the control group mean, and the AFDC Homemaker-Home Health Aide Demonstrations in the early 1980s (both cited in Burtless, Gary, "The Employment Prospects of Welfare Recipients," presented at an Urban Institute conference April 12-14, 1994, p. 29-30).

WR-Talking PB



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Melissa T. Skolfield

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed

Fax: _____ Phone: _____

Date: _____ Total number of pages sent: 17

Comments:

7/21/94

To: Mary Jo Bane
David Ellwood
Bruce Reed

From: Melissa Skolfield *ms*

Here is another set of talking points for your review. If possible, I'd like to have your comments by Monday, July 25 so we can rely on these during next week's hearings. Most of them have already been reviewed by ASPE and/or ACF staff.

You've seen at least two of these before. "Sanctions" has been slightly revised to incorporate information from the final specs, and "where are the jobs?" now includes a new sentence or two suggested by Belle Sawhill.

In my absence, comments should be faxed to Maya Fischhoff at 690-5673. Thanks.

cc: Wendell Primus
Rich Tarplin
Emily Bromberg

**Welfare Reform Working Group
Talking Points: What If Someone Refuses to Work?
July 21, 1994**

"If you really want to know what's wrong with the welfare system, talk to the people who are stuck in it or who have been on it. They want to change it more than most people you know, and if you give them half a chance, they will."

"We still can't change the welfare system unless it is rooted in getting people back to work.... So I say to you, we propose to offer people on welfare a simple contract. We will help you get the skills you need, but after two years, anyone who can go to work, must go to work -- in the private sector if possible, in a subsidized job if necessary. But work is preferable to welfare. And it must be enforced."

President Clinton, Kansas City Speech 6/14/94

Only rarely will welfare recipients refuse to work. Most women on welfare want to become employed and support their families independently. About 70 percent of recipients leave welfare within two years already -- most of them for work. We believe non-compliance will be extremely rare.

Recipients who refuse to work will initially face a series of sanctions, not a complete cutoff of aid. After a first refusal to work, families would lose half their cash grants for one month or until compliance, whichever is sooner. After a second violation, families lose half their cash grants for three months or until compliance, whichever is longer. A third sanction ends the family cash grant for three months or until compliance, whichever is longer. Fourth and subsequent sanctions eliminate the family's grant for six months or until compliance, whichever is longer. Food Stamps and housing assistance will not rise to offset the loss, and individuals will be ineligible for WORK assignments during the penalty period.

Sanctions alone will convince most people to comply. One program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services. In addition, the vast majority of women receiving conditional benefits had extremely positive feelings about the program.

If women are unable to work for good reasons, such as disability, a sick child, or lack of child care, we will help them find solutions. Our plan provides support services to help women enter and remain in the workplace. Women will receive training, guidance, and transitional child care, as well as health insurance.

Our approach is fair but not punitive. Even women who absolutely refuse to work will be eligible for the WORK program again in six months. We believe that people deserve a second chance, and want to encourage people to play by the rules.

In order to protect children, some benefits will continue during sanctions. During WORK sanctions, families will keep Food Stamps, housing assistance, and medical insurance. In cases where children are at risk, social workers will take appropriate action as quickly as possible.

Welfare Reform Working Group
Talking Points: **FINANCING**
July 21, 1994

"We've been very disciplined in working within the budget but I think we're going to make a dramatic difference.... The budget rules are very rigorous.... We did try to raise some money by controlling the growth of benefits to immigrants, and I think that's entirely appropriate. But some folks think we can pay for this much and more, simply by cutting off all benefits to [legal] non-citizens. After a careful study, we decided that we couldn't do that."

President Clinton, interview with U.S. News and World Report 6/20/94

Financing for our plan is balanced and fair. We propose funding welfare reform through appropriate cuts in existing programs, without raising taxes or increasing the deficit. Our financing provisions tighten eligibility rules for the Supplemental Security Income (SSI) program, and cap the Emergency Assistance program. Additional funds come from ending subsidies to farmers with very high non-farm income and extending expiring provisions in current law.

Our proposal tightens sponsorship and eligibility requirements for non-citizens. Current law provides for a "deeming" period, during which the sponsor's income is considered to determine an immigrant's eligibility for benefits. In 1993, Congress temporarily extended the SSI "deeming" period from three to five years. Our proposal makes this five-year "deeming" period permanent law for SSI, AFDC, and Food Stamps. Immigrants who are sponsored by equally poor sponsors will be eligible for benefits, but those whose sponsors earn above the U.S. median family income (\$39,500) will not be eligible until they become citizens themselves. Provisions relating to immigrants will create \$3.7 billion in overall savings.

Deeming does not deny assistance to legal immigrants whose sponsors are poor. Our proposal ensures that truly needy immigrants will not be denied benefits if they become blind or disabled, or if their sponsors suffer financial reverses or die. Refugees and asylees will also continue to be eligible for benefits. But we believe that benefits must be targeted to those who need them most. SSI was designed to help society's most destitute, not to free sponsors from their commitment to support immigrant family members.

Our proposal seeks to return the AFDC Emergency Assistance Program to its original mission by capping the entitlement. Initially designed to help states respond to the acute needs of disadvantaged populations, the Emergency Assistance program is increasingly used by states to fund services that were previously paid for with state funds. As a result, program costs have skyrocketed in recent years, but few new services have been provided to the poor. Our capping mechanism balances the needs of states now spending heavily on EA and the potential claims of states which might apply for EA in the future. This provision raises \$1.6 billion over five years.

Our proposal strengthens sanctions and imposes new time limits to ensure that SSI benefits given to drug addicts and alcoholics are used properly. We will enforce existing requirements that addicts seek treatment and that they identify appropriate individuals to receive and manage their funds. In addition, we propose ending cash benefits after three years of treatment. This provision will save \$800 million over 5 years.

Our plan targets meal subsidies to family day care homes to ensure that money reaches low-income children. Currently, the Child Care Food Program provides food subsidies to child care centers and family day care homes. Our proposal maintains existing child care center subsidies, which are means-tested and appropriately reach low-income children. However, we will improve targeting to family day care homes, since an estimated 71 percent of Federal food program dollars to family day care homes support meals for children above 185 percent of the poverty line.¹ This provision yields savings of \$500 million.

We will target farm subsidies to smaller, family farms instead of large farms and wealthy producers. Producers with significant non-farm income -- those for whom farming is not a primary occupation -- will no longer receive crop subsidies. This provision will save \$500 million over five years.

Our plan will extend a series of expiring provisions to collect additional revenue. These include the 1990 Farm Bill's state Food Stamp recovery provision, fees for railroad use and custom services, and Superfund financing legislation. These extensions will raise \$1.9 billion over five years.

We will tighten Earned Income Tax Credit (EITC) targeting and compliance measures. Our plan will end the EITC for non-resident aliens, affecting approximately 50,000 taxpayers -- mainly visiting foreign students and professors. But we will extend the EITC to active military families living overseas. To finance this expansion and raise net revenues, military personnel will be required to report nontaxable earned income, increasing compliance with current EITC rules. These provisions will raise \$300 million over five years.

¹USDA-commissioned study, cited in "Work and Responsibility Act of 1994, Financing," p.3.

Welfare Reform Working Group
Talking Points: **SSI DEEMING/IMMIGRATION**
July 21, 1994

"There are all kinds of proposals out there. I know that the Republican welfare reform proposal has a lot of things in it that I like. But I think it's way too hard on financing things through savings from immigrants. I think it goes too far there."

President Clinton, press conference 3/24/94

President Clinton's welfare reform plan addresses immigration issues through the values of family and responsibility central to the rest of his approach. The plan requires those who legally sponsor an immigrant -- usually family members -- to make good on the commitment they made to that immigrant's financial well-being, and to help keep the immigrant from becoming a public charge.

Under the President's proposal, immigrant eligibility for public assistance programs will still be based on current "deeming" rules. During the "deeming" period, the sponsor's assets are considered to determine an immigrant's eligibility for benefits. If the sponsor can comfortably support the immigrant, the immigrant will not receive benefits. But our plan continues assistance for legal immigrants if both they and their sponsors are poor.

This approach builds on what Congress has already done. In the fall of 1993, Congress extended the period of sponsor responsibility under SSI from three to five years, but this provision expires in 1996. Our proposal makes that decision permanent law beyond 1996, and similarly extends the deeming period under AFDC and Food Stamps. In addition, sponsors who earn more than the U.S. median family income (\$39,500) will continue to be responsible after the five year period and until the immigrant becomes a citizen. Families currently receiving benefits will continue to do so until redetermination.

Tightening sponsorship requirements targets those who are not needy. In the past, many elderly immigrants who were not in true need nonetheless received SSI benefits. About one-third of the elderly immigrants currently on SSI and subject to the deeming rules applied for benefits in their fourth year of residency -- as soon as the deeming period ended -- even though their sponsors were often financially able to support them.¹ SSI was designed to help society's most destitute, not to free sponsors from their commitment to support immigrant family members.

Our plan will help immigrants who truly need aid, and allow states to administer assistance programs more effectively. By simplifying eligibility criteria for AFDC, Medicaid, and SSI, we will reduce administrative burdens and program inconsistencies. Conforming eligibility criteria will also help ensure that permanent legal residents in need receive equal protection under the law.

Illegal Immigrants will continue to be ineligible for SSI. Immigration status is already verified for welfare applicants, often through the Immigration and Naturalization Service's (INS) Systematic Alien Verification for Entitlements (SAVE) process. States can link electronically to the database. If SAVE cannot verify an immigrant's

¹"Work and Responsibility Act of 1994: Financing," p. 2

registration number, INS does so by other means within 10 days.

Our plan, unlike the Republican bills, does not indiscriminately deny benefits to legal immigrants simply because of their status. Our plan saves money by cutting benefits to people who have other means of support, but it does not abandon truly needy people who reside here legally, pay taxes, and fall on bad times. In contrast, the Republican plan denies benefits based on immigration status alone, without any differential based on need or sponsor's income.

Welfare Reform Working Group
Talking Points: **THE IMPORTANCE OF FATHERS**
July 21, 1994

"No nation has ever found a substitute for the family. And over the course of human history, several have tried. No country has ever devised any sort of program that would substitute for the consistent, loving devotion and dedication and role-modeling of caring parents."

President Clinton, Kansas City 6/14/94

President Clinton's welfare reform plan recognizes that fathers are critical to their children's emotional and financial well-being. Our proposal helps both parents meet their responsibilities and become fully involved in their children's lives.

Under our plan, universal paternity establishment will provide a lasting connection between father and child. A paternity establishment outreach campaign, based in prenatal clinics and WIC centers, will educate parents prior to birth about the joys and responsibilities of parenthood. Expanded hospital-based programs will facilitate voluntary paternity acknowledgement, and states will receive incentive payments based on the efficacy of these efforts.

New programs and expanded initiatives will keep non-custodial parents involved in their children's lives. Demonstration grants to states will support parenting and access programs that provide mediation, counseling, education, and visitation enforcement. States will be able to develop JOBS and/or work programs for the non-custodial parents of children receiving AFDC, and can include parenting classes and peer counseling to help fathers meet their children's emotional needs. Demonstrations will further reinforce parenting skills by incorporating non-custodial parents into existing programs for high-risk families, such as Head Start, Healthy Start, family preservation, and teen pregnancy and prevention.

To help families stay together, we remove the perverse incentives of the current welfare system. Families that reunite will no longer have to pay child support arrearages, and AFDC-UP will become a permanent program--instead of expiring in 1998--so that families can receive benefits without breaking apart. States will also have the option to eliminate the special eligibility requirements for two-parent families.

Our proposal gives fathers new supports and opportunities. But at the same time, it demands that they meet their obligations. In 1990, absent fathers paid only \$14 billion in child support. If child support orders reflecting current ability to pay were established and enforced, children and single-parent families would have received \$48 billion; money for school, clothing, food, utilities, and child care. To ensure that both parents support their children, our plan provides for universal paternity establishment; regular awards updating as parents' incomes change; and new penalties for those who refuse to pay, such as expanded wage withholding and license suspension. Centralized registries will track support payments automatically, and catch parents who flee across state lines.

**Welfare Reform Working Group
Talking Points: CHILDREN
July 21, 1994**

**"We cannot permit millions and millions and millions of American children to be trapped in a cycle of dependency with people who are not responsible for bringing them into the world, with parents who are trapped in a system that doesn't develop their human capacity to live up to the fullest of their God-given abilities and to succeed as both workers and parents. We must break this cycle."
President Clinton, Kansas City 6/14/94**

President Clinton's welfare reform plan will strengthen families by emphasizing responsible parenting. The President's plan promotes the central American values of work, family, and responsibility. It tells adolescents that they should delay pregnancy until they are able to support their children. It tells parents that they must work to provide for their families. And it stresses that both parents are responsible for their children's well-being.

Parents entering the workplace will become better role models for their children. Repeatedly, recipients have testified at hearings about how proud their children were when they got jobs. Children accustomed to seeing their parents go to work can learn by example and should make an easier transition into the workforce themselves.

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

- Universal paternity establishment through hospital-based programs;
- Regular awards updating as fathers' incomes rise;
- New penalties for those who refuse to pay, such as wage-withholding and license suspension;
- Centralized state registries to track support payments automatically;
- A national child support clearinghouse to catch parents who try to evade their responsibilities by fleeing across state lines.

State initiatives and demonstration programs will provide additional ways for non-custodial parents to meet their obligations. States will be able to make parents work off the child support they owe. Demonstration grants for parenting and access programs will foster non-custodial parents' ongoing emotional involvement in their children's lives. And child support assurance demonstrations will let interested states give families a measure of economic security even if child support is not collected immediately.

Our proposal will substantially expand the child care system for both welfare recipients and the working poor. The President's plan promises accessible, affordable, quality child care. We guarantee child care during education, training, and work programs, and for one year after participants leave welfare for private sector employment. Increased funding for other federal child care programs will bolster more working families just above the poverty line and help them stay off welfare in the first place. And the EITC expansion will give low-income families money which can be used for child care as well as other needs.

Special efforts will address the quality of child care. Quality improvement funds will support resource and referral programs, licensing and monitoring, and training and other provider supports. Children in group care receiving assistance will be immunized, and consistent health and safety standards will apply across child care programs. We increase the supply of infant and toddler care. And we standardize different child care programs' requirements for provider standards, parental access, consumer education, and parental choice.

Helping children is the core of our welfare reform proposal. Our plan gives parents the supports they need to nurture and care for their children. It moves families toward independence. And it helps ensure that children will grow up confident of their abilities to lead satisfying, productive lives.

Welfare Reform Working Group
Talking Points: **WOMEN AND WELFARE REFORM**
July 21, 1994

"Why do people stay on welfare? Is it because the checks are generous? No. Because overwhelmingly, people on welfare are younger women with little children and little education and little employability, and if they take a job, it's a low-wage job, they lose Medicaid for their kids, they have to figure out how to pay for the childcare, so it becomes an economic loser. What we have to do is end welfare as we know it, to make it a second chance, not a way of life."

President Bill Clinton, Remarks at Wilbur Wright Junior College, Chicago 2/28/94

"The people who most want to change welfare are the very people on it. They want to get off welfare, and get back to work, and support their children..."

President Bill Clinton, State of the Union Address 1/25/94

President Clinton's welfare reform plan will give women the opportunities and services they need to be able to support their families without public assistance. Our approach builds on the successful philosophy of the Family Support Act and reinforces the core American values of work and responsibility. To help families become independent, we will expand child care, increase training and education, and improve child support enforcement. Along with universal health care coverage and the Earned Income Tax Credit, welfare reform will help women find permanent employment and achieve financial security.

President Clinton's proposal will expand and improve the child care system. In contrast, neither the Senate nor the House Republican welfare reform bills include any new provisions for child care. We will make work a viable option for single mothers by providing affordable, accessible child care for both families transitioning off welfare and low-income working families. Our plan increases availability through additional funding for existing programs, coordinates rules across all child care programs, and encourages the development of safe and nurturing care environments.

To help women become job-ready, our plan expands and improves the Job Opportunities and Basic Skills (JOBS) program. Created by the Family Support Act of 1988, the JOBS program offers education, training, and job placement services. We will provide additional funding and link JOBS to job training programs offered under the Jobs Training Partnership Act, the new School-to-Work initiative, Pell Grants, and other mainstream programs. Our plan also encourages self-employment through micro-loan funds; fosters non-traditional training programs to help women prepare for higher-paying jobs; and allows states to grant limited extensions to young mothers completing education programs.

The Administration's plan recognizes that both parents must support their children, and establishes the toughest child support enforcement program ever proposed. In

1990, absent fathers paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers and their children would have received \$48 billion: money for school, clothing, food, utilities, and child care. As part of a plan to reduce and prevent welfare dependency, our plan provides for:

Universal paternity establishment. Hospitals will be required to establish paternity at birth and each applicant will be required to name and help find her child's father before receiving benefits.

Regular awards updating. Child support payments will increase as fathers' incomes rise.

New penalties for those who refuse to pay. Wage-withholding and suspension of professional, occupational, and drivers' licenses will enforce compliance.

A national child support clearinghouse. Three registries -- containing child support awards, new hires, and match information -- will catch parents who try to evade their responsibilities by fleeing across state lines. Centralized state registries will track support payments automatically.



WR-Talking Pts.

Welfare or Workfare?

Governor William Weld of Massachusetts discussed proposals that would replace cash grants for able-bodied welfare recipients with work requirements in an April 29, 1994 address to AEI's seminar on persistent poverty. Mr. Weld also participated in a panel discussion on "Welfare or Workfare?" moderated by Mickey Kaus, senior editor, New Republic. Other panelists included Amitai Etzioni, professor of sociology, George Washington University; Robert Lerman, professor of economics, American University; and Charles Murray, Bradley Fellow, AEI. Edited excerpts from Governor Weld's address and the panel discussion follow.

Governor Weld

Regardless of our prescriptions for reform, all of us agree that welfare in this country has devolved from a well-intentioned program aimed at hard-luck families to a massive system that often fosters long-term dependency, illegitimacy, and other social ills.

I was struck by a recent study that indicated that girls who grow up in welfare families are three times as likely as the general population to drop out of school, twice as likely to become addicted to drugs, two and a half times as likely to end up on welfare, and four and a half times as likely to have a child out of wedlock. The picture for boys raised in welfare families is not much better. They are twice as likely to be unemployed, twice as likely to drop out of high school, and two and a half times as likely to end up in prison. When one sees the \$23 billion Federal Aid to Families with Dependent

Children (AFDC) program serving 15 million people with such depressing results, it is clear that our present welfare system is neither compassionate nor effective.

The *Boston Globe* reported recently on a single Massachusetts family with four generations dependent on welfare, including fourteen children of the matriarch who came to the state in 1968. Several sons among these fourteen children were on disability for anxiety: the idea of work made them anxious, they said. The 100 family members are estimated to be receiving \$1 million from the taxpayers every year in Massachusetts. One of the sisters in the family was asked what she would say to taxpayers who resented paying a million dollars a year for one family. She said, "Tell them to keep paying." As today's moderator Mickey Kaus has said, the real scandal about welfare is not what goes on fraudulently, it is what goes on legally under the current program.

In Massachusetts, we spend more than \$1.6 billion in state and federal funds for AFDC recipients through income maintenance, medical services, and nutritional assistance every year. These programs reach about 314,000 individuals in a population of 6 million. These individuals are part of about 111,000 families and include 20 percent of all children under the age of five. That is a lot of people. Given what we know about life on welfare, we feel we have to break this cycle.

I have proposed a fairly dramatic shift in how welfare would work for able-bodied recipients. In hearings that I held around the state, I heard repeatedly from mothers stuck on welfare that they would definitely work—

they would love to work—if only they had health care and day care for their children.

And so earlier this year I proposed legislation that would replace traditional cash grants entirely for able-bodied welfare recipients with day care and health care to support work. This morning I met with Secretary of Health and Human Services Donna Shalala to discuss the federal waivers necessary for us to try this program.

Our goal in Massachusetts is to change the paradigm for welfare. We want a program of public assistance based on paychecks, not on cash grants. It is time to stop rewarding long-term dependency. We must instead encourage the same ethic that dominates all the rest of life in this country: work and self-sufficiency.

Some defenders of the status quo—and it amazes me that there are any defenders of the status quo left—say that the problem with what we are doing is that it focuses on cutting welfare, not on cutting poverty. That argument ignores the fact that you will not ever lift yourself out of poverty if you are stuck on welfare.

Instead of the cash grants that keep people poor and unemployed, we want to provide opportunity. The benefits that we are offering encourage able-bodied recipients to take entry-level jobs that give them a critical start up the job ladder.

Under our proposal, a family that receives, let us say, \$9,900 in welfare benefits would see its standard of living increase 24 percent by taking a minimum-wage, entry-level job, thanks to the additional help from food stamps, day care, health care, and the earned income tax credit. When you add \$240 in monthly child support—all of which the family would be able to keep under our proposal—the standard of living for such a family would increase by 44 percent.

The genius of the plan is that, by definition, it can be funded by existing resources. We propose to take about \$800 million now devoted to cash grants and other related programs and to steer that money toward day care support. Health care would continue to be covered under existing Medicaid expendi-

tures. There would be no new taxes and no new spending. In fact, we project a savings of about \$70 million annually; we propose to use \$30 million of that to create 6,500 subsidized day care slots for low-income parents who are already working and who want to keep working to avoid reliance on welfare. Only able-bodied AFDC recipients would be affected by this plan. We project that about 50 percent of our caseload would continue to receive the traditional cash grants.

Under our plan, new welfare recipients will continue to receive cash grants while they conduct a job search during the first sixty days on welfare. They will be expected to perform community service for twenty-five hours a week and conduct a job search for the other fifteen hours weekly. In return, they will receive day care for their children and the cash grant until they find paid employment.

While it is easy to belittle community service, its importance should not be underestimated. Community service can provide job skills, self-esteem, even a job reference to help in finding paid employment in the private sector. The most important thing is to alter the daily routine of welfare recipients: to get them out of the house so that they do not develop the self-esteem problems that make it harder and harder for them to become contributing members of the work force and of society. I like job training as well as the next person, but I am convinced that the best preparation for work is not thinking about work, talking about work, or studying for work: it is work.

Some opponents of our plan have claimed that the jobs for the welfare recipients simply do not exist. And the truth is that many welfare recipients—but by no means all—lack a high school diploma or job experience or both.

But let us also face some facts. Millions of immigrants who do not speak a word of English in this country manage to support themselves through work. Life in this country is organized around work. Everybody—including welfare recipients—would agree that the way out of welfare begins with a job,

any job. It is hard for me to see how we are unduly penalizing single parents on welfare by asking them to conform to that fairly basic notion. The fact of the matter is that low-wage, entry-level jobs are available.

I have heard for years from welfare advocates that recipients need jobs that pay at least \$15 an hour to make it possible for them to leave AFDC. Frankly, that argument is an insult to the millions of hard-working parents who go to work every day to support their families at a wage lower than that.

By increasing day care, our plan will actually create a demand for thousands of day care providers in Massachusetts—jobs that welfare recipients certainly could hold themselves. Under our proposal, about 55,000 welfare recipients—slightly less than half the caseload in Massachusetts—will no longer be receiving traditional cash grants by the fall of 1995. We also hope that this plan will end the inducements for people to receive welfare in the first place. If so, that would go a long way toward breaking intergenerational dependency.

Thanks to the writings of Charles Murray, some of us in the political world are becoming a little less bashful in talking about the pernicious effects of illegitimacy. At the least, those of us in government must be as aggressive as possible in ensuring that absent parents support their children financially and emotionally.

In Massachusetts, we have turned our state department of revenue, which is in charge of child support collection, into both a foxhound and a pit bull when it comes to chasing deadbeat dads. One of my favorite events that I do every few months is to release the latest poster of the state's "Ten Most Wanted Deadbeat Dads."

These posters show absent parents who owe tens of thousands of dollars in child support. Many have financial assets or well-paying jobs. We have apprehended 90 percent of those who appeared on these posters, including a former pitcher for the Boston Red Sox, and collections are up by 17 percent. Our success in collecting tens of millions of dollars in child support is helping to keep

thousands of families off welfare.

This past January I also signed into law the Comprehensive Child Support Enforcement Act, which makes willful nonpayment of child support a felony, punishable by five years in prison. The law requires hospitals to record the social security number of the father on all birth certificates and empowers our revenue department to tap into records held by labor unions, utilities, and licensing authorities to track down absent parents in the underground economy. All told, we expect these measures to bring in an extra \$60 million per year in child support for single-parent families and save the state more than \$100 million a year in AFDC and Medicaid expenses.

As we reform welfare, we must also do more for the working poor. I have proposed increasing the tax exemption in Massachusetts for children and other dependents, increasing the personal exemption, and raising the no-tax status threshold to provide real, tangible tax relief for hard-working parents, especially the working poor. I would like to see that same spirit suffuse Washington. The folks at the federal level have generally abandoned any talk of middle-class tax cuts, but perhaps some thought could now be given to working parents at the lower rungs of the economic ladder.

Meaningful welfare reform does not require billions more taxpayer dollars. Meaningful reform requires the political will to acknowledge that welfare recipients need a few basic supports but also a few basic responsibilities to change their lives and the lives of their children. If we tinker at the margins or if we expand welfare spending and the welfare bureaucracy, we will miss out on a once-in-a-generation chance to make welfare and welfare recipients work.

Amitai Etzioni

I like much of what I heard about Governor Weld's program. But the fact that there is no cutoff point means that unless welfare recipients do find employment, they will continue to be on public subsidy for years to come.

Only now, welfare will be called community service.

How many jobs are waiting in the private sector for the people who have the kind of qualifications we are talking about? Not many. Already, many people are actively seeking employment, in addition to the discouraged workers who would probably try to come into the labor force if more jobs were available.

With respect to discouraging people from entering welfare, the program that the governor unveiled here this morning has much going for it. If the incentives are much more on the side of people who are working and there are no cash grants available to those who do not work, that surely will not be as comforting to people who think about going on welfare under the current system.

But as the governor correctly reported, an important part of the welfare population is the famous teenage mother and her children: Here I would like to draw a distinction between illegitimacy, meaning children born out of wedlock, and the related but not identical problem of children having children.

I suspect that we prefer to talk about illegitimacy rather than about children having children because the first allows us to talk about the sanctity of marriage, while the second leads us to talk about contraception and maybe then abortion. If we are concerned with slowing the flow of people into the welfare pool, the question of what kind of sex education we provide in schools is an important part of the story. The governor did not talk much about this.

Finally, I am all in favor of efforts to collect child support from deadbeat fathers. In fact, that is one of the most important parts of the program. But one should not underestimate what it takes to make those collections work. Some of these fathers cross state lines; this then becomes an interstate issue. It would be nice to register the father's identity on the birth certificate, but in the circles we are talking about, I am not sure that it is always clear who the father is, even to the mother. This issue requires, in short, a serious commitment.

Robert Lerman

Many of my concerns about workfare proposals in other reform plans have already been answered in the Massachusetts plan. But other concerns are relevant to Governor Weld's remarks.

Will the new policies that try to make single mothers more independent add to the marginalization of low-income men, especially low-income minority men? After all, young men are primarily responsible for much of the violent crime in our cities. Even outside those areas, the lack of a father's income is the most important cause of child poverty.

To the extent that most reform proposals involve men, they focus almost entirely on collecting child support and, to some extent, establishing paternity. That surely is important, but encouraging young fathers to help raise their children might do more to fight poverty and dependency than even requiring single mothers to work.

I agree both with the governor and with Amitai Etzioni about the role of jobs versus training. I do differ from Mr. Etzioni in that I think that we have had tremendous job growth in this country. Every quarter, 10 to 15 million new hires take place, even when employment is not growing at all, because of high job turnover. Single mothers should be able to compete with teenagers and immigrants for these jobs; if adequate child care is made available, they will be able to do so. ✓

Even if we are successful in encouraging welfare recipients to move into the private job market, they will be moving into a market that has seen relatively stagnant wages. Subsidized employment can help offset the wage-depressing effects of moving large numbers of recipients into the low-skill market. The political question is, can we keep wages low enough to avoid attracting workers from the private sector or keeping workers in these jobs when they could get private sector jobs?

Finally, I wonder if the public will be able to see that these jobs are providing real production, not simply a new entitlement. It will

be important to have an administrative apparatus that can focus specifically on this kind of program; the welfare department is not the place to do it. Some other entity—perhaps a public corporation—could develop the expertise in soliciting and in choosing proposals that can provide the best outputs and training combinations and also document what is accomplished.

Charles Murray

Governor Weld's bold initiative is exactly what is needed. We need fifty such bold initiatives. Taking a ten-minute vacation from practicality, let us talk about the fundamental issue. That is, even if we do move more women from welfare to work than we have any reason to expect any jobs program will do, we will still have the same number of children without fathers.

We therefore need to ask ourselves: What is the role of the traditional two-parent family in sustaining the institutions of a free society? I would assert—not on religious or ethical grounds, but purely on pragmatic historical grounds—that that role is utterly indispensable.

There are single mothers, including unmarried single mothers, doing a magnificent job. But statistically speaking, there are tremendous risks to any society that has large numbers of young males growing into adulthood without having been socialized into habits of virtue or without having seen the kind of role model a father provides. As the young Pat Moynihan said best, that society asks for and gets chaos.

To the extent that we now have 30 percent of American children being born out of wedlock, we are looking at a growing crisis that has nothing to do with budget deficits; it has everything to do with how we will sustain a free society into the next century.

The first objective for this society's elites should be to say openly once again that to bring a new life into the world is the most important thing that almost any human being ever does. It must be treated as a portentous

and solemn event.

The act of getting pregnant if one is not prepared to care for a child is not morally neutral; it is a destructive act. And much as we may sympathize with a young woman who finds herself in that situation, society as a whole must organize itself so that it happens as seldom as possible. Part of arranging society so that it happens as seldom as possible is to impose terrible penalties on that act.

Those penalties do not have to be legislated. Throughout history and across cultures, a single woman with a child has been a vulnerable, weak, economically unviable unit—not because anybody passed a law saying that was the case but because that is the way the world works. We have lifted the terrible economic penalties of having a child out of wedlock through the intervening power of the state.

The other terrible penalty that has been imposed everywhere across cultures and throughout history has been severe social stigma. To some extent, that stigma has arisen from ethical and religious belief. But there is a powerful link between social stigma and economic penalties. Communities understand instinctively that they cannot afford to have a lot of children coming along without two mature adults—and preferably more—to care for them. When the short-term economic penalties are lifted from the community, so is a lot of the power of the social stigma.

I advocate ending the welfare system not because we have too many women on welfare or that we are spending too much money on them. What is going on here is not just another of the many social problems that face this country but a fundamental erosion of some important social institutions.

My second objective after having our elites start to say publicly what out-of-wedlock birth means for this country is to get the government out of the business of subsidizing such births.

What does a young woman do if she finds herself pregnant? The same thing she used to do some years ago: she takes a look at the father of the baby and sees if she can get support from him. She looks at her parents,

the church, and local organizations. She thinks about her own readiness to care for a child. And I would hope that in a large number of instances, with the advice and persuasion of her elders, she would give the child up for adoption at birth.

We have in this country an extraordinarily deep pool of people who are willing to adopt babies at birth, including black babies and physically handicapped babies and the rest, but there is a proviso: they want adoption at birth and full parental rights over that child. Let us fix the adoption system to take advantage of this extraordinarily deep pool.

Let us also provide as best we can for children in conditions of such terrible neglect and abuse that they must be taken from their parents. The emphasis on keeping children with their biological parents in the face of repeated neglect and abuse is misguided. I have used the O word—"orphanages"—as a symbol of an alternative that is better for many children than what they have now.

Finally, the step that I advocate that has received the least attention, but which may be the most important, is to restore to marriage a set of clear lines separating it from the state of not being married so that all parental rights and responsibilities are defined by marriage. If a marriage does not exist, there are no parental rights and responsibilities. This means, among other things, that the father of a baby does not even have the right to see that child—and also that the father has no responsibility for that child.

What I want, in a nutshell, is for little girls to grow up having it absolutely drummed into their heads that having a baby is a big deal and that the only way you will have any hold over the father of that baby is if you marry him.

By the same token, I also want little boys to grow up knowing that if they want to be that thing called a daddy—which most of them want to be—there is only one way to do it, and that is to marry. If you do not

marry, you have no legal standing whatsoever. You can say all you want that that little child is yours, but as far as the rest of society is concerned, that is not true.

And so I ask all of us to move away from thinking about this as one more social engineering problem and, rather, as a problem that requires not only policy changes but also a change of heart.

For Further Reading

Douglas J. Besharov. "To Curb Welfare Use, Make It Uncomfortable." *Wall Street Journal*, April 27, 1994.

—"Working to Make Welfare a Chore." *Wall Street Journal*, February 9, 1994.

—"The Moral Voice of Welfare Reform." *Responsive Community*, Spring 1993.

—"That Other Clinton Promise—Ending 'Welfare as We Know It.'" *Wall Street Journal*, January 18, 1993.

—with Amy Fowler. "The End of Welfare As We Know It?" *The Public Interest*, Spring 1993.

Charles Murray. "Does Welfare Bring More Babies?" *The American Enterprise*, January/February, 1994.

—"The Coming White Underclass." *Wall Street Journal*, October 29, 1993.

—"Welfare and the Family: The U.S. Experience." *Journal of Labor Economics*, January 1993.

—"Stop Favoring Unwed Mothers." *New York Times*, January 16, 1992.

—*In Pursuit of Happiness and Good Government*. New York: Simon and Schuster, 1988.

—*Losing Ground: American Social Policy, 1950-1980*. New York: Basic Books, 1984.

*Will-Talking
PH*



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Melissa T. Skolfield

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed
% Kathy Mays

Fax: 456-7028 Phone: 456-6515

Date: _____ Total number of pages sent: 10

Comments:

*Please be sure Bruce gets this material
as soon as possible - Thanks!*

June 7

TO: Bruce Reed
FROM: Melissa Skolfield

As discussed, I've attached a revised version of both the two-page talking points and the five-page summary, for your urgent review and approval. They are being counted on for handouts at tomorrow's meeting with Democratic Senators; and are being coordinated with the Secretary's remarks for that meeting and three charts she will be using (see attached). The organization of this piece is closely tied to the presentation you and David settled on the other night.

Many of the phrases in here are extremely important to David and Mary Jo. I've also borrowed heavily from your version of the "vision document." in addition to the materials being produced today, I will also be using this language as I rewrite and edit the longer summary, so please fax any comments or edits back to me as soon as you can. Thanks.

Bruce - I've not taken some of the HHS suggestions, such as a section on children. Please call me when you can.

m

PS - The NYT teen pregnancy story will run tomorrow. I haven't done anything with the Post yet.

WELFARE REFORM: WORK

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

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

Making Welfare a Transition to Work: Building on the JOBS Program

Created by the Family Support Act of 1988 and championed by then-Governor Clinton, the JOBS program offers education, training, and job placement services—but to few families. Our proposal would expand and improve the current program to include:

- **A two-year time limit.** Time limits will restrict most AFDC recipients to a lifetime maximum of 24 months of cash assistance.
- **A personal employability plan.** From the very first day, the new system will focus on making young mothers self-sufficient. Working with a caseworker, each woman will develop an employability plan identifying the education, training, and job placement services needed to move into the workforce. Because 70 percent of welfare recipients already leave the rolls within two years, and many applicants are job-ready, many plans will aim for employment well within two years ^{is up} ^{most} _{before}
- **Limited exemptions and deferrals.** Our plan will reduce existing exemptions and ensure that from day one, even those who can't work must meet certain expectations. Mothers with disabilities and those caring for disabled children will initially be exempt from the two-year time limit, but will be required to develop employability plans detailing the steps, such as finding appropriate medical care, necessary to work. Another exemption allowed under current JOBS rules will be significantly narrowed: mothers of infants will receive only short-term deferrals (12 months for the first child, three months for the second). At state discretion, a very limited number of young mothers completing education programs may receive appropriate extensions.
- **Job search first.** Participants who are job-ready will immediately be oriented to the workplace. Anyone offered a job will be required to take it.
- **Integration with mainstream education and training programs.** JOBS will be linked with job training programs offered under the Jobs Training Partnership Act, the new School-to-Work initiative, Pell Grants, and other mainstream programs.
- **Tough sanctions.** Parents who refuse to stay in school, look for work, or attend job training programs will be sanctioned, generally by losing their share of the AFDC grant.
- **Let states reward work.** Currently, AFDC recipients who work lose benefits dollar-for-dollar, and are penalized for saving money. Our proposal allows states to reinforce work by setting higher earned income and child support disregards. We also help fund demonstration

Too long

make up

projects to support saving and self-employment.

● **Additional federal funding.** To ease state fiscal constraints and ensure that JOBS really works, our proposal raises the federal match rate and provides \$2 billion of additional funding. The federal JOBS match will increase further in states with high unemployment.

The WORK Program: Work Not Welfare After Two Years

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

● **Work, not "workfare."** Unlike traditional "workfare," recipients would only be paid for hours worked. Most jobs would pay the minimum wage for between 15 and 35 hours of work per week.

● **Flexible, community-based initiatives.** State governments can design programs appropriate to the local labor market: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations.

● **A Transitional Program.** To move people into unsubsidized private sector jobs as quickly as possible, participants will be required to go through extensive job search before entering the WORK program, and after each WORK assignment. No WORK assignment will last more than 12 months. Participants in subsidized jobs will not receive the EITC. Anyone who turns down a private sector job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs.

Supporting Working Families: The EITC, Health Reform, Child Care

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

● **The Earned Income Tax Credit (EITC).** The expanded EITC will lift millions of workers out of poverty. Already enacted by Congress, the EITC will effectively make any minimum wage job pay \$6.00 an hour for a typical family with two children. States will be able to work with the Treasury Department to issue the EITC on a monthly basis.

● **Health care reform.** Universal health care will allow people to leave welfare without worrying about coverage for their families.

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

WELFARE REFORM: RESPONSIBILITY

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

Our proposal includes several provisions aimed at creating a new culture of mutual responsibility. We will provide recipients with services and work opportunities, but implement tough, new requirements in return. These include provisions to promote parental responsibility, ensuring that both parents contribute to their children's well-being. The plan also includes incentives directly tied to the performance of the welfare office; extensive efforts to detect and prevent welfare fraud; sanctions to prevent gaming of the welfare system; and a broad array of incentives that the states can use to encourage responsible behavior.

Parental Responsibility

The Administration's plan recognizes that both parents must support their children, and establishes the toughest child support enforcement program ever proposed. In 1990, absent fathers paid only \$13 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers and their children would have received \$47 billion: money for school, clothing, food, utilities, and child care. As part of a plan to reduce and prevent welfare dependency, our plan provides for:

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

Accountability for Taxpayers

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

- **State tracking systems.** States will be required to verify the income, identity, alien status, and Social Security numbers of new applicants and assign national identification numbers.
- **A national public assistance clearinghouse.** Using identification numbers, the clearinghouse will follow people whenever and wherever they use welfare, monitoring compliance with time limits and work. A national "new hire" registry will monitor earnings to check AFDC and EITC eligibility, and identify non-custodial parents who switch jobs or cross state lines to avoid paying child support.
- **Tough sanctions.** Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.

Performance, Not Process

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

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

No

WELFARE REFORM: REACHING THE NEXT GENERATION

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

Preventing Teen Pregnancy

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

- A national campaign against teen pregnancy. Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches.
- A national clearinghouse on teen pregnancy prevention. The clearinghouse will provide communities and schools with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.
- Mobilization grants and comprehensive demonstrations. Roughly 1000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women. Broader initiatives will seek to change the circumstances in which young people live and the ways that they see themselves, addressing health, education, safety, and economic opportunity.

Phasing in Young People First

Initial resources are targeted to women born after December 31, 1971. Phasing in the new system will direct limited resources to young, single mothers with the most at risk; send a strong message to teenagers that welfare as we know it has ended; most effectively change the culture of the welfare office to focus on work; and allow states to develop effective service capacity.

A Clear Message for Teen Parents

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

- Supports and sanctions. The two-year limit will not begin until teens reach age 18, but from the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe. At the same time, caseworkers will offer encouragement and support; assist with living situations; and help teens access services such as parenting classes and child care. Selected older welfare mothers will serve as mentors to at-risk school-age parents. States will also be allowed to use monetary incentives to keep teen parents in school.

+ posters

WORK

- Making welfare A Transition to work: Building on the JOBS Program ~~and~~
- The WORK Programs
Work, Not welfare, After Two Years
- Supporting Working Families: EITC, Health Reform, Child Care

~~HEAD~~

RESPONSIBILITY

- ② • Accountability for Taxpayers
- ① • Parental Responsibility
- ③ • ~~The~~ Performance, Not Process

REACHING THE NEXT GENERATION

- Presenting Teen Pregnancy
- Phrasing in Young People First
- A Clear message for Teen Parents:
Supports and Sanctions

Revise &

Welfare Reform Working Group
Talking Points: **OVERALL PLAN**
May 4, 1994

WR - Talking Pts.

① Not penalized for lack
② Not just time limits
③ C/c care

~~Changes to
MORISSA~~

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it--not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever. We can provide opportunity, demand responsibility, and end welfare as we know it." President Clinton, Putting People First, p. 164.

Welfare reform is based on two simple principles: work and responsibility. Unfortunately, the current welfare system undermines these values by making welfare more attractive than work, and allowing parents to avoid responsibility for supporting their children. The President's plan would restore the basic values of work and responsibility, provide opportunity, and promote the family.

Under the President's plan, welfare will be about a paycheck, not a welfare check. To reinforce and reward work, our approach is based on a simple compact. Support, job training, and child care will be provided to help people move from dependence to independence. But after two years, anyone who can work, must work--in the private sector if possible, in a public service job if necessary.

Reform will make welfare a transitional system leading to work: a second chance, not a way of life. From the very first day, the new system will focus on making young mothers self-sufficient. With child care and job search assistance, many people will move into the workforce well before the two-year time limit. And from the very first day, teenage mothers will be required to live with their parents, stay in school, and attend job training or parenting classes. Everyone will be moving toward work.

Our approach also correctly focuses on young parents--those who have the most to gain and the most at risk. By initially focusing our resources on mothers under age 25, we will send a strong signal to teenagers that welfare as we know it has ended. They must get the message that staying in school, postponing pregnancy, preparing to work, and supporting their children are the right things to do. As welfare reform is phased in, a larger percentage of the caseload will be covered; and states which want to move even faster will be able to use federal matching funds to do so.

To support work and responsibility, work must pay. Already, 70 percent of welfare recipients leave the welfare rolls within two years--but most will eventually return. That's why we must use the Earned Income Tax Credit, guaranteed health care at work, and child care to make any job more attractive than welfare. The EITC alone will effectively make a minimum wage job pay \$6.00 an hour, helping to lift

millions of people who work out of poverty.

To reinforce personal responsibility, the plan will take new steps to require full payment of child support. It sets up a new system of paternity establishment to enforce the responsibility of both parents from the moment the child is born. It involves the IRS in tracking delinquent parents from the moment they start a new job to the point that child support is delivered to the family. And it sets up a computer system to be sure that parents don't avoid their responsibilities by crossing state lines.

Responsibility and accountability must also extend to the welfare office itself. Unfortunately, the current system focuses too often on simply sending out welfare checks. We must change the welfare office to a place that is fundamentally about moving people into the workforce. To do that, we must reward performance, not process, and change the culture of the welfare office.

Our approach builds on the successful philosophy of the Family Support Act, championed by then governor Clinton in 1988. More federal funding will help states provide increased job opportunities and basic skills training to mothers over age 25, even before the plan is fully phased in.

Welfare Reform Working Group
Talking Points: **REPUBLICAN PLANS**
May 3, 1994

"There are all kinds of proposals out there. I know that the Republican welfare reform proposal has a lot of things in it that I like. But I think it's way too hard on financing things through savings from immigrants. I think it goes too far there."
President Clinton, press conference 3/24/94

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

The Republican legislation is proof that the consensus on the need for reform reaches across party lines. Everyone--Democrats and Republicans, administrators and recipients--agree that we must reform the welfare system. It doesn't work, and it doesn't reflect the important American values of work and responsibility.

The Republican legislation includes many elements of the plan that President Clinton has already outlined. Both emphasize the values of work, family, opportunity, and responsibility. Both make public assistance a transitional benefit leading to mandatory work; emphasize parental responsibility and delaying sexual activity; and provide funding for education, training, child care, and job creation. And both recognize that we must spend money to move young mothers toward self-sufficiency.

However, our plan places a greater emphasis on making work pay. We recognize that 70% of welfare recipients already leave the rolls within two years and just need help keeping that first job. Republican legislation in the House of Representatives caps the Earned Income Tax Credit, a powerful work incentive with bipartisan support. That's exactly the wrong approach.

In addition, the Republican plan's financing unfairly penalizes vulnerable groups and the states. The Senate bill, for example, makes sweeping cuts in benefits for legal immigrants. The House bill reduces food stamps, WIC, and other nutrition programs serving children and the elderly. Such cuts in cost-effective programs might actually increase long-term costs--and would inevitably add to state financial burdens.

While the mainstream Republican legislation overlaps significantly with our proposal, we reject the more punitive reforms developed by Charles Murray and William Bennett. By completely eliminating benefits for teenage mothers, their plan would "write off" an entire generation instead of building job skills and self-sufficiency. We believe the Administration's approach is a better way to reward work and responsibility.

Welfare Reform Working Group
Talking Points: **RESPONSE TO CHARLES MURRAY**
May 3, 1994

"He did the country a great service. I mean, he and I have often disagreed, but I think his analysis is essentially right. Now, whether his prescription is right, I question...I once polled 100 children in an alternative school in Atlanta--many of whom had had babies out of wedlock--and I said, 'If we didn't give any AFDC to people after they had their first child, how many of you think it would reduce the number of out-of-wedlock births?' Over 80 percent of the kids raised their hands. There's no question that that would work. But the question is...Is it morally right?

"...There is no question that...if we reduced Aid to Families with Dependent Children, it would be some incentive for people not to have dependent children out of wedlock...[O]nce a really poor woman has a child out of wedlock, it almost locks her and that child into the cycle of poverty which then spins out of control further."

President Clinton, NBC News interview 12/3/93

Teen pregnancy, illegitimacy, and single-parent families are important problems which must be addressed. We agree that violence, crime, drug use, poverty, and homelessness are all connected to the increasing number of births to young unwed mothers.

However, holding teenage parents responsible for support of their children makes more sense than simply cutting off benefits. Our approach would condition teenage mothers' AFDC benefits on staying in school, living at home with their parents or a responsible adult, identifying their child's father, participating in job training, and attending parenting classes. This combination of "carrots and sticks" is only possible if you continue benefits for single mothers who take steps toward self-sufficiency--and reduce benefits for those who don't.

Simply cutting off support to teenagers and their young children is irresponsible, dangerous, and potentially counterproductive. In a recent poll, an overwhelming 70 percent of Americans rejected this approach.¹ While Murray says his approach will not harm children, the truth is that millions of young mothers and children would no longer have a safety net of any sort. This untried approach would almost certainly increase crime and homelessness. The President's strategy of time-limited benefits and supportive services would, like Murray's, end welfare as a way of life--but would preserve it as a "second chance."

It's important to demand responsibility of teenage fathers as well as teenage mothers. One of the worst features of Charles Murray's approach is that it lets

¹L.A. Times poll of 1,682 adults in April 1994. The margin was +/- 3%. Asked if they would support "no benefits" for women with children born out of wedlock, 70% said no and 26% said yes.

teenage fathers off the hook. True welfare reform demands that both parents take responsibility for their children, and we believe no plan will succeed without a commitment to paternity establishment and tougher child support enforcement.² Our proposal requires mothers to provide paternity and locating information before receiving benefits. We will also develop hospital-based programs to determine paternity for all babies, since studies have shown such proactive efforts to be most successful.

Conditional AFDC benefits work. A rigorous evaluation of one such program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services. Simply "writing off" an entire generation of young people would do nothing to build job skills and turn dependence into independence.

²"I am letting unmarried fathers off the hook...Given that a woman chooses to engage in sex knowing that the man is not wearing a condom, what is the responsibility of a male for the fact that a child is conceived and carried to term in an age when contraceptives and abortion are freely available?...As far as I can tell, he has approximately the same casual responsibility as a slice of chocolate cake has in determining whether a woman gains weight." Charles Murray, The Sunday Times 11/14/93

Welfare Reform Working Group

Talking Points: **STATE ISSUES: FINANCING, FLEXIBILITY, AND WAIVERS**

May 3, 1994

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress...[The Family Support Act] was never fully implemented because [states] had to spend all [their] money on mandatory...medical costs and building prison cells...So we need to begin there."

President Clinton, remarks to the National Governors' Association 2/1/94

"We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."

President Clinton, State of the Union address 1/25/94

President Clinton's welfare reform plan will support states while increasing flexibility. President Clinton recognizes that some welfare problems require federal aid in the form of technical assistance, simplified regulations, or greater federal funding. But other problems are tied to specific social and economic issues and demand local flexibility.

Already, the Clinton administration has recognized the value of state efforts. Since January 1993, HHS has granted demonstration waivers to 14 states. States are already experimenting with time-limited aid programs followed by work, assistance for two-parent families, and special requirements for teenage mothers. Our welfare reform program will build on the knowledge and experience gained through these state initiatives.

Welfare reform will not mean additional unfunded state mandates. Instead, we will increase federal funding for JOBS, pregnancy prevention, child care, and child support enforcement. We will provide new funding for WORK programs. And we will raise federal matching rates to make money more available.

States will share in the benefits of welfare reform. Since AFDC is a joint federal-state program, states will benefit from welfare reform's emphasis on child support enforcement and moving recipients into the work force.

The WORK program continues the flexibility of the existing JOBS program. States must provide work opportunities for those unable to find unsubsidized private sector jobs after two years, but states and local communities can tailor these WORK programs to local needs and circumstances. Local governments will be able to subsidize private sector employers, create public sector work slots, or enter into creative agreements with businesses or non-profit agencies.

The Administration's plan recognizes that states will need adequate time to move to the new system. By contrast, the House Republican welfare plan (HR 3500) requires an eight-fold increase from current participation levels within eight years. And while state costs would inevitably grow, the Republican bill provides no additional federal matching dollars for work and training programs, child care, or other services. Our phase-in strategy lets states start with a manageable caseload, and go farther with federal help if they wish to.

The Clinton plan may provide state options to:

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

Welfare Reform Working Group
Talking Points: **WAIVERS**
May 3, 1994

"We [must] also revolutionize our welfare system. Last year, we began this. We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."
President Clinton, State of the Union address 1/25/94

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress."
President Clinton, remarks to the National Governors' Association 2/1/94

President Clinton's welfare reform plan builds on a strong record of state innovation and state success. Under the Social Security Act, the Department of Health and Human Services can exempt states from laws governing the AFDC and Medicaid programs. This waiver program has allowed states to explore alternative welfare approaches and adapt federal programs to local needs.

The Clinton administration has streamlined the waiver process, increasing state flexibility while maintaining quality services for HHS beneficiaries. Faster reviews have meant more flexibility for states and a better federal partnership.

The scale of the waiver program reflects state eagerness for welfare reform. Since January 1993, HHS has approved welfare demonstration projects in 14 states: Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, North Dakota, Oklahoma, South Dakota, Vermont, Virginia, Wisconsin, and Wyoming. Eleven other states have applications pending.

Waivers allow a striking variety of initiatives. Some states have required teenage mothers to live at home rather than in households of their own, to stay in school, and to participate in job training. Others have reduced or eliminated aid after two years--often providing transitional jobs--in order to encourage work and self-sufficiency.

Welfare Reform Working Group
Talking Points: **SANCTIONS**
May 3, 1994

FIX
When
Policy
IS
DONE

"We should insist that people move off welfare rolls and onto work rolls. We should give people on welfare the skills they need to succeed, but we should demand that everybody who can work go to work and become a productive member of society."

Bill Clinton, announcement speech, Little Rock, AR 10/3/91

President Clinton's welfare reform plan provides opportunity and supportive services, but it also demands responsibility. People who refuse to participate in the JOBS program or fulfill their WORK obligations will be sanctioned. Expectations--and consequences--will be clear.

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

Safeguards will ensure fairness. If states fail to provide services specified in the employability plan, they must grant extensions past the two-year limit to JOBS participants. States will continue existing notice and hearings protection, and recipients will receive benefits during the hearing/ appeals process. After the second WORK sanction, states will evaluate the family's need for other services. And job search assistance will continue during WORK sanctioning.

?

Under our proposal, individuals who fail to participate in education, training, or employment as required during the first two years will lose cash benefits, and Food Stamps will not increase to offset that loss. On average, the amount lost will be \$226 a month, and will correspond to the adult's share of the AFDC grant.¹

?

Successive violations will result in longer benefit suspensions. As in the 1988 Family Support Act, adults will lose benefits after the first violation until they begin to comply. A second violation results in sanctions for three months or until compliance, whichever is longer. Third and subsequent failures result in sanctions for six months or until compliance, whichever is longer.

Both before and after the two-year time limit, recipients refusing to accept private sector jobs without good cause will lose family cash benefits for six months or until they accept a private sector job. After reaching the two-year time limit, WORK

¹Estimated national average monthly AFDC payment for an adult, calculated by ASPE 5/3/94.

participants will experience the same sanction faced by ordinary workers: lost wages for hours not worked.

Broader sanctions are imposed on WORK participants who fail to job search as required or who quit, are dismissed from, or refuse to accept a WORK assignment without good cause. After a first violation, families lose half their cash grant for one month or until acceptance of a WORK assignment, whichever is sooner. After a second violation, families lose WORK eligibility and half their cash grant for three months. Third and subsequent sanctions end the family cash grant and WORK eligibility for three months.

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

Welfare Reform Working Group
Talking Points: **TEEN PREGNANCY**
May 3, 1994

Diamond
GET GENE TO REWRITE

"They have to come to understand that children having children is just wrong, and can't lead to anything good for them...We have to change that, and we have to help them change that."

President Clinton, American Society of Newspaper Editors 4/13/94

Kramer High

Teen pregnancy is an important issue for this Administration, because it's linked to poverty, welfare dependency, child health, and other domestic issues. Each year, 200,000 teenagers aged 17 and younger have children. The babies are often low-birth weight; infant mortality rates are also disproportionately high among this population. Teen pregnancy frequently leads to poverty and welfare dependency. The costs to society are enormous.

Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. Cases headed by unwed mothers accounted for most of the growth in the welfare rolls over the last decade. We need to send the strongest possible signal that pregnancy and childbirth should be delayed. And we also need to focus on teens who are already mothers--with mentoring, child care, time-limited AFDC benefits, requirements to live with a caring adult and identify their child's father, incentives to stay in school, and other services necessary to put them on the path to work and self-sufficiency.

STAT

The link between teen births and poverty is clear. Approximately 80 percent of the children born to teenage parents who dropped out of high school and did not marry are poor. In contrast, just 8 percent of children born to married high school graduates aged 20 or older are poor.

Our reform proposal tells adolescents that both parents have clear obligations that will be enforced. Mothers must provide paternity information before receiving benefits, and absent fathers must pay child support. Automated state systems will use wage-withholding and license suspension to collect support. And a new national database will follow cases across state lines.

Teen pregnancy prevention requires cooperation between HHS, Education, Labor, Justice, and other agencies. The problem's connection with other issues such as violence, drugs, crime, and education makes such interagency coordination essential. Our effort will involve School-to-Work, Head Start, child care expansion, child support enforcement, health care reform, and the EITC.

This Administration recognizes that government can't do it all. Our proposal will bring together local schools, communities, families, and churches.

Wrong to have child o/w

Work Regt.
Stay in School
Minor MOMS

Welfare Reform Working Group
Talking Points: **CHILD SUPPORT ENFORCEMENT**
May 3, 1994

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

Child support can help end the ^{NO} poverty and insecurity that victimize single-parent families. In 1990, absent fathers paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers would have received \$48 billion: money for school clothing, food, utilities, child care. The President's plan will close this \$34 billion gap.¹

~~Cost~~ Both parents are responsible for supporting their families. Parenthood brings clear obligations and those obligations will be enforced.

Making child support a national priority will help lift single-parent families out of poverty. It will show adolescents that parenthood has clear and unavoidable obligations. And it will slowly reknit fractured families by emphasizing the bonds-- financial and emotional--that link parents and their children.

(Father's failure to pay, not our failure)
The child support system is letting too many parents off the hook
Our national failure to collect child support has several explanations. Fathers often deny paternity, so that mothers cannot establish their right to child support. Child support awards are low and rarely modified; award updating is frequently initiated only at the mother's request and requires extensive litigation. And ineffective collection enforcement allows many absent parents--especially in interstate cases--to avoid payment without penalty.

Building on the best state and federal initiatives, we can solve these problems. We can reduce litigation, automate enforcement, and create the proactive system that our children need. Our approach focuses on three key steps:

1) Establish paternity for all births. Economic incentives will encourage states to establish paternity for all births regardless of welfare status. Hospitals will expand existing paternity programs, while simplified legal procedures and greater use of scientific testing will facilitate later identification. Under the Clinton plan, welfare applicants must supply the father's name and location in order to receive benefits.

→ *Req. FATHERS TO WORK (Wisc., Missouri)*

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

2) Reassess awards guidelines and automatically update payment sums as parental incomes change. President Clinton's welfare reform plan establishes a commission to evaluate national awards guidelines. States will automatically update awards for all families.

3) Enforce collection. Using federal funds, states will replace the existing fragmented child support structure with centralized registries. States will monitor payments automatically and use new enforcement techniques: wage withholding, data-base matching, holds on driver's and professional licenses, even property seizure. President Clinton's welfare reform plan will also locate absent parents nationwide through a new federal clearinghouse and simplify interstate collection through the Uniform Interstate Family Support Act (UIFSA).

Additional Issues

Interstate enforcement

Because one-third of all child support cases involve interstate collection, that process must be dramatically improved. President Clinton's welfare reform plan will set up a national child support enforcement clearinghouse with three different registries. One registry will locate parents who fail to pay. A second registry will provide state information on child support awards. And a third will list new hires nationwide so that withholding can begin from the first paycheck. Meanwhile, the Uniform Interstate Family Support Act (UIFSA) will routinize procedures in interstate cases.

License Withholding

As a last resort, states will withhold the driver's and professional licenses of people who refuse to pay support. License suspension reaches self-employed people unaffected by wage-withholding. And officials in Maine and California, which recently instituted demonstration programs, say that often even the threat of suspension spurs absent fathers to face their obligations. (See attached.)

Welfare Reform Working Group
Talking Points: **LICENSE SUSPENSION/ WITHHOLDING**
May 3, 1994

"We will...say to absent parents who aren't paying their child support: If you're not providing for your children, we'll garnish your wages, suspend your license, track you across state lines, and if necessary make some of you work off what you owe. People who bring children into this world cannot and must not walk away from them."

President Bill Clinton, State of the Union address 1/25/94

The Clinton Proposal

Under President Clinton's welfare reform plan, states will suspend the driver's, professional, and commercial licenses of parents able but unwilling to pay support. Withholding will end after parents arrange payment schedules.

All states will be required to suspend licenses. States which fail to suspend licenses will suffer financial penalties: primarily, losing some federal AFDC matching funds. The Clinton plan requires states to suspend driver's licenses administratively, in order to avoid the tedious court procedures which have impeded current withholding programs.

States will be able to tailor suspension programs to local needs. They can choose to use administrative holds or the courts to withhold professional and commercial licenses. They can determine due process rights for obligors and set the threshold amount of child support owed before suspension.

License suspension is effective as a last resort. It reaches self-employed people unaffected by wage withholding. And even the threat of suspension often spurs absent parents to face their obligations.

License withholding will be part of a broad, innovative approach to child support enforcement. States will use a wide variety of tools--including data-base matching, wage withholding, and even property seizure--to enforce payment.

Existing State Programs

In 1993, seven states ran suspension programs: Arizona, California, Maine, Minnesota, Pennsylvania, South Dakota, and Vermont. Eight others---Arkansas, Florida, Illinois, Massachusetts, Montana, Nevada, Oklahoma, and Oregon--are currently implementing programs.

License matching dramatically increased support collection. California estimates that it has collected \$5-10 million through the license matching program since

1992, while Maine expects to collect \$16.7 million biennially.

Suspension programs have also provided current information about absent parents and targeted difficult-to-reach offenders. In Arizona, professionals cooperated rather than be referred to their licensing boards. In California and Maine, officials located missing parents and updated asset and income information. In Pennsylvania and South Dakota, publicity surrounding the initiative motivated obligors to come forward.

A Shining Example: Maine's "Deadbeat Dads" Bill

Maine withholds licenses simply through an administrative hearing. Because absent parents can stay the process by going to court, due process protection is ensured.

The threat of suspension is the most powerful deterrent. Absent parents usually pay after receiving warning letters. "The Maine plan is designed not to suspend thousands of licenses," says Representative Sean Faircloth, "but rather to create a credible sanction that will motivate deadbeat parents to pay up."

Maine's program is a success. Maine's program should collect an additional \$4.7 million biennially for AFDC families and \$12 million for families not on welfare. Since the program began in July, collection has been ahead of schedule.

Maine has only 1.2 million people. On a national scale, the savings could be immense.

Welfare Reform Working Group

Talking Points: **HEALTH REFORM WILL GET ONE MILLION PEOPLE OFF WELFARE**

May 3, 1994

"It is estimated that one million people are on welfare today because it's the only way they can get health care coverage."

President Clinton, State of the Union address 1/26/94

NOT
WHAT
HE SAID

"It is estimated that one million people are on welfare chiefly to qualify for Medicaid, the government's health care program for the poor. Some welfare recipients have children diagnosed with chronic health problems, or they require frequent health care services themselves."

Secretary Donna Shalala, Christian Science Monitor op/ed 1/28/94

The one million figure is a conservative estimate of the number of adults and children who are on AFDC simply to qualify for Medicaid. It represents approximately 7% of the current caseload (14 million adults and children).

It is based on a number of studies which found that between 10 and 25% of AFDC recipients are on AFDC primarily to qualify for health insurance. HHS' best estimate--based on three different research studies--suggests that the provision of health insurance would reduce welfare caseloads by 7 to 12%.¹

In addition to eliminating "welfare lock," the President's health care reform plan would encourage families to leave welfare in at least two other ways. First, by providing states with funds to set up home- and community-based long-term care programs, the Health Security Act would allow poor adults with disabled relatives to enter the work force. Second, by providing health insurance to people with pre-existing conditions, the Health Security Act would make it easier for people with disabilities to get jobs.

As President Clinton said in his State of the Union address, health care reform and welfare reform address the common needs of Americans for security, and for a society that enables people to work. Health care reform is a critical ingredient of welfare reform.

- 83% study
- David's 8% figure

¹A 1990 study by David Ellwood and E. Kathleen Adams found the effect to be 10 to 20%. Another 1990 study by Robert Moffitt and Barbara Wolfe put the effect at 10 to 25%. And a 1991 working paper by Michael Keane and Robert Moffitt estimates the effect at 16%. Because these studies did not fully reflect the fact that legislation has extended Medicaid coverage to some low-income women and children not on welfare, the Administration has adjusted these estimates to conservatively project that 1 million individuals remain on welfare because of health coverage.

Welfare Reform Working Group

Talking Points: **WHAT WENT WRONG WITH THE FAMILY SUPPORT ACT?**

May 3, 1994

"This spring I will send you a comprehensive welfare reform bill that builds on the Family Support Act of 1988 and restores the basic values of work and responsibility."

President Clinton, State of the Union address 1/25/94

"We never fully implemented [the Family Support Act]. You know it and I know it...There's a lot of evidence that significant progress has been made in the states that have been most aggressive. Why was it never fully implemented? Partly because Congress never fully funded it, partly because...[as Congress] will say, 'Well, but the states never fully used all the money we came up with. States must not have really cared about this because they never provided the state match to use all the funds'...One of the things we need to do is go back and look at that bill, see what's good about it, figure out what will be necessary to change so that the states can take full advantage of that bill, because it had incentives to work, it had supports for families."

President Clinton, remarks to the National Governors' Association 2/1/94

The Family Support Act of 1988 is the cornerstone of President Clinton's welfare reform proposal. It set in place expectations that absent parents must support their children, that welfare should be only a transitional preparation for self-sufficiency, and that training and support services are as vital as cash benefits.

All states implemented their JOBS programs on schedule and continue to meet participation rate and targeting standards. Each month, almost 600,000 people participate in JOBS activities. However, the Family Support Act exempted recipients who were under age 16; were ill, elderly, or incapacitated; had children under three; were at least three months pregnant; or lived where the program was unavailable. These exemptions limited participation rates.

The Family Support Act did not anticipate that states budgets would shrink--or that caseloads would expand so dramatically. State budget shortfalls have meant cuts in public aid staff and fewer state funds available for drawing down JOBS and other federal money. In 1992, states drew down only 62 percent of the \$1 billion available from the federal government. At the same time, both child support and AFDC caseloads have grown rapidly. The number of AFDC recipients for example, increased 33 percent between July 1989 and July 1993. '93 #

Finally, the Family Support Act failed to change the culture of the welfare system. Today, many caseworkers still spend more time processing forms and mailing checks than helping recipients gain the services and skills needed for self-sufficiency. And numerous exemptions diluted the message that welfare should be a transitional system leading to work.

Lorey Carando Smith

President Clinton's welfare reform plan fixes the weaknesses of the Family Support Act while building on its successes. While welfare reform is targeted at women under 25, the JOBS program will continue to move older women toward self-sufficiency. Our plan provides additional federal funding and higher federal match rates to ease state fiscal constraints and make sure that JOBS, child support, and prevention programs really work. Greater automation, simplified program rules, and streamlined administrative requirements will minimize resources spent on paperwork. Finally, we will change the culture of welfare. Agencies must clearly explain opportunities and obligations to recipients, move them immediately into employability enhancing programs and services, and enforce--rather than undermine--the values of work and responsibility.

Welfare Reform Working Group
Talking Points: **MINOR MOTHERS--requirement to live at home**
May 3, 1994

"Can you believe that a child who has a child gets more money from the government for leaving home than for staying home with a parent or a grandparent? That's not just bad policy, it's wrong and we ought to change it...We will say to teenagers, 'If you have a child out of wedlock, we will no longer give you a check to set up a separate household. We want families to stay together...'"

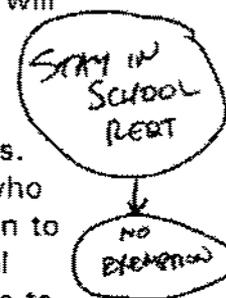
President Clinton, State of the Union address 1/25/94

Currently, AFDC allows minor mothers to set up independent households and gives them more money to do it. That's not just bad policy, it's wrong, and we're going to change it. Young mothers under 18 are still children who need nurturing and supervision themselves. And the current policy gives adolescents exactly the wrong incentive: to have babies and move out of their parents' homes.

President Clinton's welfare reform plan corrects the incentive by requiring unmarried minor mothers to live with a responsible adult, preferably a parent. States currently have the option of requiring minor mothers to stay in their parents' households, but only six states and two territories have adopted the provision.¹ Our proposal would make that option a requirement for all states.

We will, of course, ensure protection for minor parents who cannot live at home for good reasons, such as danger of abuse. Young mothers with good cause will be allowed to live with another responsible adult.

Obligating minor mothers to live at home is part of our prevention strategy of encouraging teens to delay sexual activity until they can be responsible parents. Approximately 80 percent of the children born to unmarried teenage parents who dropped out of high school are poor; in contrast, just 8 percent of children born to married high school graduates aged 20 or older are poor. The Clinton proposal organizes a national campaign against teenage pregnancy and increases access to family planning services. It requires minor mothers to finish school and enroll in the JOBS program--as well as live at home--and makes teenage fathers responsible for child support.



The Clinton welfare reform plan tells teenagers that having children is an immense responsibility rather than an easy route to independence. When boys see their brothers committed to pay child support for 18 years, they may reconsider fatherhood. Girls who know that young motherhood will not allow them to leave

¹The states are Connecticut, Delaware, Maine, Michigan, Vermont, and Wisconsin. The territories are Puerto Rico and the Virgin Islands.

home and school may choose other options.

At the same time, we link responsibility to opportunity, showing children that playing by the rules will lead to a better life. President Clinton's School-to-Work initiative facilitates teenagers' transition into the workforce. His crime bill aids youth in disadvantaged neighborhoods. In addition, we propose community-based demonstration programs to help improve health, education, safety, and economic opportunity for youth and families.

No

WHL - Talking Pts.



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Melissa T. Skolfield

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: *Kathi Way*
DPC

Fax: *456-7028* Phone: _____

Date: *5/3* Total number of pages sent: *4*

Comments:

*These are still in draft form - for any
comments/suggestions back to 690-5673,
I will send you clean copies by tomorrow.*

m.

*Bruce -
Talking
Points for
DGA.
Kathi*

Welfare Reform Working Group
Talking Points: **REPUBLICAN PLANS**
April 1994

DRAFT NO. 4

"There are all kinds of proposals out there. I know that the Republican welfare reform proposal has a lot of things in it that I like. But I think it's way too hard on financing things through savings from immigrants. I think it goes too far there."
President Clinton, press conference 3/24/94

"The Congress will take up welfare reform, a subject on which I have worked for well over a decade now."

President Clinton, remarks to the American Society of Association Executives
3/8/94

President Clinton has sought to reform welfare for years and we are pleased that Republicans have developed legislation which shares many of his priorities. President Clinton sponsored innovative programs as governor of Arkansas and was instrumental in passage of the Family Support Act of 1988.

The Republican legislation is proof that the consensus on the need for reform reaches across party lines. Everyone--Democrats and Republicans, administrators and recipients--agree that we must reform the welfare system. It doesn't work, and it doesn't reflect the values of work and responsibility.

The Republican legislation includes many elements of the plan that President Clinton has already outlined. Both emphasize the values of work, family, opportunity, and responsibility. Both make public assistance a transitional benefit leading to mandatory work; emphasize parental responsibility and delaying sexual activity; and provide funding for education, training, child care, and job creation.

However, our plan places a greater emphasis on making work pay. Republican legislation in the House of Representatives caps the earned income tax credit, a powerful work incentive with bipartisan support.

In addition, the Republican plan's financing unfairly penalizes vulnerable groups and the states. The Senate bill, for example, makes sweeping cuts in benefits for legal immigrants. The House bill reduces food stamps, WIC, and other nutrition programs serving children and the elderly. Such cuts in cost-effective programs might actually increase long-term costs--and would inevitably add to state financial burdens.

While the Congressional Republican legislation overlaps significantly with our proposal, we reject the more punitive reforms developed by Charles Murray and William Bennett. By ending benefits for teenage mothers, their plan would "write off" an entire generation instead of building job skills and self-sufficiency.

**Welfare Reform Working Group
Talking Points #2: RESPONSE TO CHARLES MURRAY
April 1994
Melissa Skolfield**

"He did the country a great service. I mean, he and I have often disagreed, but I think his analysis is essentially right. Now, whether his prescription is right. I question...I once polled 100 children in an alternative school in Atlanta -- many of whom had had babies out of wedlock -- and I said, 'If we didn't give any AFDC to people after they had their first child, how many of you think it would reduce the number of out-of-wedlock births?' Over 80 percent of the kids raised their hands. There's no question that that would work. But the question is...Is it morally right?"

"...There is no question that...if we reduced Aid to Families with Dependent Children, it would be some incentive for people not to have dependent children out of wedlock...once a really poor woman has a child out of wedlock, it almost locks her and that child into the cycle of poverty which then spins out of control further."
President Clinton, NBC News interview, 12/3/93

Teen pregnancy, illegitimacy, and single-parent families are important problems which must be addressed. We agree on the fact that violence, crime, drug use, poverty and homelessness are all connected to the increasing number of births to young unwed mothers.

However, holding teenage parents responsible for support of their children makes more sense than simply cutting off benefits. Our approach would condition teenage mothers' AFDC benefits on staying in school, living at home with their parents or a responsible adult, accepting job training, and attending parenting classes. This combination of "carrots and sticks" is only possible if you continue benefits for single mothers who take steps toward self-sufficiency -- and reduce them if they don't.

Simply cutting off support to teenagers and their young children is irresponsible, dangerous, and potentially counterproductive. In a recent poll, an overwhelming 70 percent of Americans rejected this approach.* While Murray says his approach will not harm children, the truth is that more than 800,000 teenagers and young children would no longer have a safety net of any sort.¹ This untried approach would almost certainly increase crime and homelessness. The President's approach, like Murray's, would end welfare as a way of life -- but would preserve it as a "second chance."

It's important to demand responsibility of teenage fathers as well as teenage mothers. One of the worst features of Charles Murray's approach is that it simply ignores the role of teenage fathers. True welfare reform demands that both parents take responsibility for their children; we believe no plan will succeed without a commitment

¹The 1992 AFDC Quality Control Survey reported 352,980 female household heads under age 21 (never married) with roughly 460,000 children.

to paternity establishment and tougher child support enforcement. Murray suggests that mothers unable to support their children alone should instead place them in orphanages. "Think of it as 24-hour pre-school," he says.²

Our plan facilitates child support enforcement by requiring every mother to identify her child's father and provide locating information before receiving benefits. We will also develop hospital-based programs to determine paternity for all babies; studies have shown such proactive efforts to be most successful.

Conditional AFDC benefits work. A rigorous evaluation of one such program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services. Simply "writing off" an entire generation of young people would do nothing to build job skills and turn dependence into independence.

* Data is from an L.A. Times poll which polled 1,682 adults in April 1994. The margin was +/- 3 percent. When asked if they would support "no benefits" for women with children born out of wedlock, 70 percent said no and 26 percent said yes.

"I am letting unmarried fathers off the hook...Given that a woman chooses to engage in sex knowing that the man is not wearing a condom, what is the responsibility of a male for the fact that a child is conceived and carried to term in an age when contraceptives and abortion are freely available? Certainly the man has no legal standing of his own[;] he cannot require a woman to abort a fetus nor can he prevent her from aborting it. So what casual responsibility absent rape or a false claim of sterility does a man have, as of 1993, in determining whether sex is followed by the birth of a child? As far as I can tell, he has approximately the same casual responsibility as a slice of chocolate cake has in determining whether a woman gains weight. He acquires responsibility by taking it upon himself, and that act is called marriage."

Charles Murray, The Sunday Times 11/14/93

²Cited in The Economist 12/11/93, p. 27. Murray was "only half-joking," the magazine notes.



*Call
Jeremy
about
this*

**FACSIMILE TRANSMISSION COVER SHEET
 ADMINISTRATION FOR CHILDREN AND FAMILIES
 OFFICE OF THE ASSISTANT SECRETARY
 370 L'ENFANT PROMENADE, S.W.
 WASHINGTON, D.C. 20447**

FAX: (202) 401-⁴⁶⁷⁸~~4440~~ CONFIRM: (202) 401-³³³⁷~~3999~~ DATE: _____

TO NAME: BESSIE REED
 OFFICE: (AND) KATHI WAIN
 PHONE: ↳ Please give
 FAX NO: 456-7739 *copied to [unclear]*

FROM NAME: Jeremy Bor-Ami
 PHONE: 401-6954
 COVER + _____ PAGES

MESSAGE:

OFFICE USE ONLY TIME SENT: _____ DATE: _____
 OPERATOR: _____

TALKING POINTS Welfare Reform

DRAFT

GENERAL GUIDANCE

- o Welfare is a Top Priority Welfare reform is a top priority of the President/Administration/Department. The President ~~remains~~ ^{is} committed to developing a bold program to "end welfare as we know it."
- o The Administration's Welfare Reform Plan Will Be Based on Four General Principles Underlying the President's Vision All administration speeches/comments on welfare reform should emphasize the four principles: (1) Making Work Pay; (2) Improving Child Support Enforcement; (3) Providing Education, Training, and Support to help people get and hold jobs; and (4) Creating a System of Time Limited Transitional Support followed by Work. These principles are discussed in more detail on the following page.
- o Welfare Reform Will Reinforce the Linkage Between Opportunity and Responsibility This linkage is fundamental to the values underlying the support system: Government's role should be to provide people with the support they need to get and hold a job. This may mean help with training, education, child care or health care. Ultimately, however, individuals and not the government must be responsible for their families. Both parents must support their children, and those who can work will be expected to work to support their families.

CAUTIONS

- o It's Too Early to Discuss Specifics It is too early to address questions about specific aspects of the welfare reform plan. Many policy options are under discussion, and, in general, particular ideas have not been ruled on or off the table.
- o Do Not Discuss Dates/Deadlines/Timelines The Working Group intends to have a plan for the Domestic Policy Council and the President to review by the end of the year, but we are not publicly committing to a date for releasing the plan or submitting legislation.
- o Do Not Discuss Costs/Budgets In Any Detail It is still too early in the Working Group's work to discuss costs. We anticipate that returning welfare to its original purpose as a transitional assistance program will reduce caseloads and save money in the long run.

WELFARE REFORM WORKING GROUP

DRAFT

- o The Welfare Reform Working Group was announced by President Clinton on June 11, 1993.
- o The Working Group is comprised generally of senior, sub-cabinet level appointees from a variety of Departments and White House offices. The list of members is attached. It will be chaired by Bruce Reed, David Ellwood, and Mary Jo Bane.
- o The staff of the Working Group is made up of federal employees. They will be consulting widely with individuals and organizations with an interest and expertise in welfare reform. They will also be working closely with Congress and officials from state and local government. These efforts are described in more detail on the following page.

PRINCIPLES

President Clinton has charged the Working Group to develop a proposal to "end welfare as we know it." The Working Group is guided by four principles underlying the President's vision for reform:

- o **Make Work Pay** -- People who work should not be poor. They should get the support they need to ensure that they can work and adequately support their families. The economic support system must provide incentives that encourage families to work and not stay on welfare.
- o **Dramatically Improve Child Support Enforcement** -- Both parents have a responsibility to support their children. One parent should not have to do the work of two. Only one-third of single parents currently receive any court-ordered child support. The system for identifying fathers and ensuring that their children receive the support they deserve must be strengthened.
- o **Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare** -- People should have access to the basic education and training they need to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.
- o **Create a Time-Limited Transitional Support System Followed By Work** -- With the first three steps in place, assistance can be made truly transitional. Those who are healthy and able to work will be expected to move off welfare quickly, and those who cannot find jobs should be provided with work and expected to support their families.

Based on these core principles, the Working Group will be developing a detailed proposal that will not simply change the welfare system but will ultimately provide a genuine alternative to it.

DRAFT

PUBLIC INPUT

While the Working Group and its staff are federal employees, they will be working closely with individuals and organizations outside the government in an open and collaborative process to develop ideas and policy options. The Working Group will be taking a number of very specific steps to involve the public in its work:

- o **Hearings/Public Events** -- The Working Group will be holding a series of hearings and public events across the country during the summer designed to provide the public with an opportunity to present the Working Group to begin to get public reaction to some of the ideas it is developing. The schedule of these public events should be available by the end of June.
- o **Working Papers** -- The Working Group will be publishing a series of working papers over the course of the summer and fall which will be designed to provide information and spark public discussion of the issues underlying the welfare reform effort. These papers will be widely circulated.
- o **Meetings/Briefings** -- Working Group staff will be setting up briefings and meetings for groups of organizations interested in welfare reform. A special office of Public Liaison is being set up by the Working Group to reach out to organizations concerned with welfare issues to ensure that information is widely disseminated and a broad range of opinions are being solicited to inform the efforts of the Working Group.
- o **Intake Center** -- The Working Group is establishing an intake center for all mail and information requests. The Center will ensure that proposals, suggestions, and ideas are forwarded to the appropriate issue groups and that requests for meetings and speakers are handled in a timely manner.

COLLABORATION WITH THE STATES AND LOCALITIES

The President believes the experiences of the States provide valuable lessons for the development of national policy. He has, therefore, asked the Governors, State legislators, and State welfare directors to form a group to consult with the administration throughout the development of the welfare reform plan.

COLLABORATION WITH CONGRESS

Congressional experience, particularly with the Family Support Act of 1988, is also extraordinarily valuable in the development of a welfare reform plan. The administration will work closely with the leadership and committee chairs in both Houses prior to introducing legislation.

DRAFT

Working Group on Welfare Reform, Family Support and Independence

Chairs

Bruce Reed *Deputy Assistant to the President for Domestic Policy*

David Ellwood *Assistant Secretary for Planning and Evaluation, Department of Health and Human Services*

*Assistant Secretary for the Administration for Children and Families,
Department of Health and Human Services*

Members

Ken Apfel *Assistant Secretary for Management and Budget, Health and Human Services*

Walter Broadnax *Deputy Secretary, Department of Health and Human Services*

Robert Carver *Deputy Assistant Secretary for Returns Processing, Treasury Department*

Maurice Foley *Office of Tax Policy, Treasury Department*

Thomas Glynn *Deputy Secretary, Department of Labor*

Ellen Haas *Assistant Secretary for Food and Consumer Services, Department of Agriculture*

Elaine Kamarck *Office of the Vice President*

Madeleine Kunin *Deputy Secretary, Department of Education*

Alicia Munnell *Assistant Secretary for Economic Policy, Treasury Department*

Larry Parks *Senior Advisor to the Secretary, Department of Commerce*

Wendell Primus *Deputy Assistant Secretary for Human Services Policy, Department of Health and Human Services*

Julie Samuels *Director, Office of Policy and Management Analysis, Department of Justice*

Isabel Sawhill *Associate Director for Human Resources, Office of Management and Budget*

Eli Segal *Assistant to the President for National Service*

Eugene Sperling *Deputy Assistant to the President for Economic Policy*

Michael Stegman *Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development*

Joseph Stiglitz *Council of Economic Advisors*

Fernando Torres-Gil *Assistant Secretary for Aging, Department of Health and Human Services*

Jeff Watson *Deputy Assistant to the President for Intergovernmental Affairs*

Kathi Way *Special Assistant to the President for Domestic Policy*

Surgeon General

Assistant Secretary for Intergovernmental and Interagency Affairs, Department of Education

Assistant Attorney General for Policy Development, Department of Justice

Assistant Secretary, Employment and Training Administration, Department of Labor

TALKING POINTS FOR WORKING GROUP MEMBERS

Announcement of Welfare Reform Working Group

June 9, 1993

The Welfare Reform Working Group will most likely be publicly announced through a White House press release on Friday, June 11. We anticipate that most press inquiries will be handled by David Ellwood and Bruce Reed, or by the White House and HHS press offices. However, it is possible that reporters or others will call members of the Working Group to ask questions or seek comments about welfare reform. We have provided the following talking points in anticipation of the range of questions that could be posed to Working Group members. In addition, we have attached an information packet that is being distributed to the press, on the Hill, and to interested individuals and organizations. We would appreciate it if you could have your staff notify Jeremy Ben-Ami (401-6954) of any press contacts that you have or if you have questions or need further information.

Policy Questions – Stick to General Principles

- o When asked about any particular policy issue, we should:
 - say we are taking a very broad look at the entire range of issues related to welfare reform.
 - stick to restating the four basic principles (see attached materials) and not get drawn into discussing particular policy questions
 - respond to inquiries about "what's on the table and what's off," by saying that it would be premature to comment since the Group is only just beginning its examination of the issues

Timing/Deadline Questions – No commitment to a date

- o The Working Group has no set timetable or deadline. The Group will be presenting a proposal to the President by the end of the year.

Process Questions -- Emphasize openness and involvement

- o The Working Group will engage in an open and collaborative process in developing its proposal. We will be working closely and in a bipartisan fashion with Congress, state and local officials, advocacy organizations, and the research and academic community.
- o We will be holding public events around the country to solicit input. We will be publishing a series of working papers on the issues facing the Working Group. We will be holding regular briefings and other meetings with a wide range of groups and individuals with an interest in welfare reform.

Composition of the Group

- o If asked why the Group is only government officials or whether other people may be added from the outside, emphasize that the Group's composition is not a reflection of the commitment the Administration feels to have broad input and to conduct an open and collaborative process (discussed above).
- o Further, the President specifically asked the Governors, State legislators and State welfare directors to form a group to consult with the administration throughout the development of the welfare reform plan. This group has been formed and we will be working closely with them.

Will the Group hold open meetings?

There will be several public events and hearings will be held throughout the country this summer and fall to provide the public with an opportunity for input in the work of the Group.

Refer reporters to Bruce Reed (456-6515) or David Ellwood (690-7858) if they want to talk in more detail about background issues.

Working Group on Welfare Reform, Family Support and Independence

Chairs

Bruce Reed *Deputy Assistant to the President for Domestic Policy*

David Ellwood *Assistant Secretary for Planning and Evaluation, Department of Health and Human Services*

*Assistant Secretary for the Administration for Children and Families,
Department of Health and Human Services*

Members

Ken Apfel *Assistant Secretary for Management and Budget, Health and Human Services*

Walter Broadnax *Deputy Secretary, Department of Health and Human Services*

Robert Carver *Deputy Assistant Secretary for Returns Processing, Treasury Department*

Ray Cortines *Assistant Secretary for Intergovernmental Affairs, Department of Education*

Maurice Foley *Office of Tax Policy, Treasury Department*

Thomas Glynn *Deputy Secretary, Department of Labor*

Ellen Haas *Assistant Secretary for Food and Consumer Services, Department of Agriculture*

Alexis Herman *Assistant to the President for Public Liaison*

Elaine Kamarck *Office of the Vice President*

Madeleine Kunin *Deputy Secretary, Department of Education*

Alicia Munnell *Assistant Secretary for Economic Policy, Treasury Department*

Larry Parks *Senior Advisor to the Secretary, Department of Commerce*

Wendell Primus *Deputy Assistant Secretary for Human Services Policy, Department of Health and Human Services*

Julie Samuels *Director, Office of Policy and Management Analysis, Department of Justice*

Isabel Sawhill *Associate Director for Human Resources, Office of Management and Budget*

Eli Segal *Assistant to the President for National Service*

Eugene Sperling *Deputy Assistant to the President for Economic Policy*

Michael Stegman *Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development*

Joseph Stiglitz *Council of Economic Advisors*

Fernando Torres-Gil *Assistant Secretary for Aging, Department of Health and Human Services*

Jeff Watson *Deputy Assistant to the President for Intergovernmental Affairs*

Kathi Way *Special Assistant to the President for Domestic Policy*

Surgeon General

Assistant Attorney General for Policy Development

Assistant Secretary, Employment and Training Administration, Department of Labor

Charge to the Working Group on Welfare Reform, Family Support and Independence

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it -- not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."

**-- President Bill Clinton
Putting People First**

President Clinton has charged the Working Group to develop a proposal to "end welfare as we know it." The Working Group is guided by four principles underlying the President's vision for reform:

Make Work Pay -- People who work should not be poor. They should get the support they need to ensure that they can work and adequately support their families. The economic support system must provide incentives that encourage families to work and not stay on welfare.

Dramatically Improve Child Support Enforcement -- Both parents have a responsibility to support their children. One parent should not have to do the work of two. Only one-third of single parents currently receive any court-ordered child support. The system for identifying fathers and ensuring that their children receive the support they deserve must be strengthened.

Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare -- People should have access to the basic education and training they need to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.

Create a Time-Limited Transitional Support System Followed By Work -- With the first three steps in place, assistance can be made truly transitional. Those who are healthy and able to work will be expected to move off welfare quickly, and those who cannot find jobs should be provided with work and expected to support their families.

Based on these core principles, the Working Group will be developing a detailed proposal that will not simply change the welfare system but will ultimately provide a genuine alternative to it.

Welfare Reform: Next Steps

The Welfare Reform Working Group is charged with presenting a detailed proposal to create a transitional assistance system in line with the broad principles outlined by the President. To tackle this complex task, the Working Group is assigning staff to develop background information and policy options in the following areas:

Making Work Pay -- to explore ways of improving the economic incentives to work and the distribution of financial and other supports for the working poor, such as the Earned Income Tax Credit

Child Support -- to address issues ranging from paternity establishment and support enforcement to the possibility of a child support insurance/assurance program

Absent Parents -- to examine current government policies as they relate to absent parents so that they can better meet their parental responsibilities

Transitional Support -- to review strategies for providing assistance on a temporary basis along with the education, training, and other supports needed to get off welfare and into jobs

Post Transitional Work -- to examine the issues related to employing those reaching the end of their time-limited assistance

Child Care -- to explore how best to meet the need for child care in a system of transitional assistance and mandatory work

Program Simplification -- to look at the rules and regulations of benefit programs for low income families to find ways to make them more uniform and simple

Private Sector Job Creation -- to focus on including in a transitional assistance system the incentives necessary to create jobs for welfare recipients in the private sector

Prevention/Family Stability -- to ensure that efforts to prevent out-of-wedlock births and family break-up are given priority in the reform plan

While federal employees will be staffing the Working Group, they will be seeking input and proposals from individuals and organizations outside the government. Those who are interested in providing input, ideas and suggestions are invited to write to the Working Group at the address provided on the following page. Specific proposals as well as general comments are welcome.

Public Input in Welfare Reform

The Working Group has made public involvement and input a top priority as it develops its proposal for the President. To achieve this, the Working Group will be taking a number of very specific steps to involve the public in its work:

Hearings/Public Events -- The Working Group will be holding a series of hearings and events across the country during the summer designed to provide the public with an opportunity to present the Working Group with their ideas and opinions. These events will also allow the Working Group to begin to get public reaction to some of the ideas it is developing. The schedule of these public events should be available by the end of June.

Working Papers -- The Working Group will be publishing a series of working papers over the course of the summer and fall to provide information and spark public discussion of the issues underlying the welfare reform effort. These papers will be widely circulated. To receive copies, please write to the Working Group at the address listed below.

Meetings/Briefings -- Working Group staff will be setting up briefings and meetings for groups of organizations interested in welfare reform. A special office of Public Liaison is being set up by the Working Group to reach out to organizations concerned with welfare issues to ensure that information is widely disseminated and that a broad range of opinions are being solicited to inform the efforts of the Working Group.

Intake Center -- The Working Group is establishing an intake center for all mail and information requests. The Center will ensure that proposals, suggestions, and ideas are forwarded to the appropriate staff and that requests for meetings and speakers are handled in a timely manner. To contact the Working Group, please write to:

Welfare Reform Working Group
Administration for Children and Families
370 L'Enfant Promenade SW 6th floor
Washington, D.C. 20047

[Handwritten scribble]

Welfare Reform Talking Points

The following provides general guidance to Working Group members or others asked questions regarding the Welfare Reform Working Group:

Policy Questions -- Stick to General Principles

- o When asked about any particular policy issue, we should:
 - say we are taking a very broad look at the entire range of issues related to welfare reform.
 - ^{hold off on} ~~not~~ discuss any policies in particular, but stick to a restatement of the four basic principles (see following page)
 - ~~respond~~ respond to inquiries about "what's on the table and what's off," by saying that it would be premature to comment before ^(the work has begun) ~~(any decisions have been made?)~~

Timing/Deadline Questions -- No commitment to a date

- o The Working Group has no set timetable or deadline. The Group will be presenting a proposal to the President ~~by the end of the year and intends to introduce legislation early next year.~~ *later this year.*

Process Questions -- ~~Emphasize~~ ^{Emphasize} Openness, ~~and~~ ^{and} involvement, ~~bipartisan consultation~~ ^{bipartisan consultation}

- o The Working Group will engage in an open and collaborative process in developing its proposal. We will be working closely with Congress, state and local officials, advocacy organizations, and the research and academic community.
- o We will be holding public ^{may also} events around the country to solicit input. We ~~will be publishing a series of working papers on the issues facing the Working Group.~~ We will be holding regular briefings and other meetings with a wide range of groups and individuals with an interest in welfare reform.

Refer Reporters to Reed or Ellwood ~~at the White House press office~~ for more detailed information.

on a bipartisan basis in both parties

o This is an ~~interagency~~ ^{interagency} working group made up of admin. officials. We will ^{actively} consult with Congress, governors, advocates, staff, etc., but ~~not~~ ~~include~~ ~~them~~. ~~There will be no members from outside the Admin.~~ ~~At the President's request, state-local officials formed their own advisory group, made up of 5 govors, 2 st. legislators, and 3 state commissioners. That bipartisan group is chaired by Gov. Jim Florio of NJ.~~

Four Themes of Welfare Reform

President Clinton has charged the Working Group with developing a proposal to implement his pledge to "end welfare as we know it." The Working Group is guided by four principles at the heart of the President's vision for reform:

Make Work Pay -- People who work ^{full-time} should not be poor. They should get the support they need to ensure that they can work and adequately support their families. The ~~economic support~~ system ^{should} ~~must~~ provide incentives that encourage families to work, ~~and not discourage them from leaving welfare.~~ ^{not stay on}

Dramatically Improve Child Support Enforcement -- Both parents have a responsibility to support their children. One parent should not have to do the work of two. Only one-third of single parents currently receive any court-ordered child support. The system for identifying fathers and ensuring that their children receive the support they deserve must be strengthened.

Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare -- People should have access to the basic education and training they need to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.

Create a Time Limited Transitional Support System Followed By Work -- With the first three steps in place, assistance can be made truly transitional. Those who are healthy and able to work will be expected to move off welfare quickly and those who cannot find jobs should be provided with them and expected to support their families.

Based on these core principles, the Working Group will be developing a detailed proposal that ultimately will not simply change the welfare system but provide a genuine alternative to it.

Q + A

1. What is the timetable for the Working Group? What will be its final product?

The Working Group will present a proposal to the President ~~by the end of the year. We anticipate introducing legislation early next year.~~ *late this year.*

2. Why did you opt for an intragovernmental group instead of drawing those outside government into the group as members.

The composition and membership of the Working Group will have no effect on the Administration's intent to make the development of this policy an open and consultative process. There is a great deal of expertise on Capitol Hill, in state and local government, in the communities and in the research and academic world. The Working Group will be seeking broad input from all of these areas and consulting widely as it prepares its recommendations.

3. Will the Working Group's have open meetings?

The Working Group will conduct a series of public meetings around the country during the late summer and early fall. The exact locations and schedule will be announced later this summer.

4. Hasn't the Working Group already had meetings? Why? How many?

The Working Group and staff have had some preliminary meetings to prepare for the announcement and to organize for their work this summer and fall.

5.

WORK FIRST PLAN MESSAGE

End welfare the way we know it.

- Abolish AFDC & JOBS.
- No Unconditional Receipt of Assistance.

Replace the welfare system with an employment based system.

- It's not an entitlement to benefits. It's an entitlement to employment services.
- If an individual refuses a job offer, benefits are terminated.
- Parents applying for or receiving Temporary Employment Assistance must sign a Parent Empowerment Contract.

Work ought to be central to any welfare reform plan. Work first for everyone is the goal.
Any welfare reform plan ought to be subject to the following questions:

- Does the plan help welfare recipients prepare for a job?
- Does the plan help welfare recipients get a job?
- Does the plan help welfare retain a job?

Provide States a Bonus for Employment.

- For each welfare recipient employed beyond a threshold level (preferably private sector jobs, but under limited conditions, public or community service jobs), a federal bonus would be provided. The longer the duration of employment for welfare recipients, the larger the bonus. The greater the number of welfare recipients that a state can put to work, the larger the bonus for states.

Employment Block Grant.

- The current JOBS funding would be repealed. A new Work First Employment block grant, with increased funding, would replace it.
- Tough work requirements, but with the means to meet these requirements and enable parents to become self-sufficient.

Medicaid/Child Care Partial Swap:

- Unlike Republican proposals, the Work First plan is not tough on kids. Child care assistance is guaranteed. For those transitioning to work, assistance would be available on a sliding fee scale based on a household's ability to pay.
- The federal government would take a portion of a state's share of Medicaid. In return, states would be required to significantly increase the availability and affordability of child care.

THE PRESIDENT'S PLAN: REWARDING WORK AND RESPONSIBILITY

For low-income programs, the President would move people from welfare to work through strict work requirements and investments in training and child care. He would expand efforts to fight fraud and abuse, maintain the national nutrition safety net, target support to the neediest, and protect poor children. These proposals would save \$38 billion over 7 years, after accounting for investments in child care and work and training for welfare recipients. Republican proposals would cut more than \$100 billion over 7 years, tearing apart the social safety net, imposing unattainable work requirements while slashing child care, and putting millions of children at risk.

- For the Earned Income Tax Credit, the President proposes to continue the expansion of tax relief for the working poor, save \$3 billion over 7 years by improving error and fraud control, and make sure illegal aliens who are not authorized to work in the U.S. do not receive the EITC.

- By cutting the EITC by \$21 billion over 7 years, Senate Republicans would raise taxes on 10 million working families with children and 4 million low-income workers without children.

- For cash assistance and social services programs, the President would save \$10 billion over 7 years by tightening SSI eligibility, tightening rules for AFDC, encouraging recipients to move from welfare to work, curtailing abuses, and investing in child care and work programs.

- Republicans would drastically cut funding for cash assistance (\$29-44 billion over 7 years), remove requirements that States contribute to program funding, place new strings on States, and, in the House plan, ultimately deny cash to millions of children. In addition, the House would eliminate SSI benefits for up to 170,000 disabled children now receiving benefits and for as many as 550,000-850,000 who would otherwise receive them over the next five years.

- For benefits to immigrants, the President would save \$5 billion over 7 years by tightening sponsorship and eligibility rules for non-citizens, thus forcing sponsors of legal immigrants to bear greater responsibility for those whom they encourage to come to the U.S.

- Republicans would slash \$27-\$33 billion over 7 years by denying assistance to low-income immigrants, including over 1 million legal immigrants now in the U.S.

- For food assistance, the President would maintain the national nutrition safety net programs while cutting mandatory spending by \$20 billion over 7 years. He would protect spending on WIC and give 600,000 more women, infants and children access to WIC's important health and nutrition benefits.

- Republicans would eliminate the national nutrition safety net, slashing \$33-\$49 billion over 7 years, by capping Food Stamps and block granting the school lunch and other child nutrition programs. In addition, Republicans would force up to 300,000 women, infants, and children off WIC in 1996.