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1. memo	Reed and Ken Apfel to Chief of Staff [Panetta] re: Wisconsin Waiver. 2p (partial)	7/8/96	P5
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- P1** National security classified information [(a)(1) of the PRA].
- P2** Relating to appointment to Federal office [(a)(2) of the PRA].
- P3** Release would violate a Federal statute [(a)(3) of the PRA].
- P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- PRM** Personal records misfile defined in accordance with 44 USC 2201 (3).

RESTRICTIONS

- B1** National security classified information [(b)(1) of the FOIA].
- B2** Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B3** Release would violate a Federal statute [(b)(3) of the FOIA].
- B4** Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
- B6** Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B7** Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B8** Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
- B9** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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WORK NOT WELFARE

WISCONSIN'S INDEPENDENCE PLAN FOR WELFARE RECIPIENTS



TOMMY G. THOMPSON, GOVERNOR

1. Pro-univers. You told guys even
if you disagree

2. ReGo

3. Bipartisanship
- away from WH
- Thompson/AFTR

4. No CoTCA

5. Only going to state w/ serious T. proposal



DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington D.C. 20201

FACSIMILEDATE SEP 13 1993

TO: (NAME, ORGANIZATION, CITY/STATE AND PHONE NUMBER):

Carol Rasco
Assistant to the President
for Domestic Policy

456-2216

FROM: (NAME, ORGANIZATION, CITY/STATE AND PHONE NUMBER):

Kevin Thurm
Chief of Staff

690-6133

RECIPIENT'S FAX NUMBER: () 456-2878NUMBER OF PAGES TO SEND (INCLUDING COVER SHEET): 5

COMMENTS:

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

SEP 13 1993

MEMORANDUM TO CAROL RASCO AND MARCIA HALE

As you know, the State of Wisconsin has submitted a request for a demonstration of a very tight time-limited welfare program. This note is to inform you of the status of the Wisconsin waiver request.

Pursuant to your response to our August 10 memorandum to the President, we have attempted to reach agreement with Wisconsin regarding their proposed policy to time limit welfare without guaranteed work for those unable to find a regular job. We have also been discussing possible conditions on their version of a family cap on benefit increases when a child is conceived on AFDC. These discussions have not proven fruitful. Wisconsin is adamant that they will neither allow any ability for the parent to correct a situation after a child is born, nor will they guarantee a work opportunity for those who reach the time limit or exempt those who simply cannot find a job.

In addition, there are policy concerns with the Medicaid requirements of the waiver proposal. At the time limit, the family would not only lose AFDC, but the parent (with very limited exceptions) would lose Medicaid. Since this is inconsistent with the Department's goal of maintaining and expanding access to health care, especially for the Medicaid-eligible and working poor, the Health Care Financing Administration (HCFA) is inclined to deny this request.

There are also two provisions the Department of Agriculture would deny: cash-out and additional sanctions for failure to perform community work beyond those contained in the Food Stamp Act. Cash-out has already been tested by USDA in several demonstrations and they do not believe further experimentation is warranted. The additional sanctions, since they subject recipients to a loss of benefits to which they would not be subjected under the Food Stamp Program are, USDA believes, prohibited by the Food Stamp Act.

We are proposing to inform the State that we will be unable to approve its AFDC waiver request in its present form (see attached draft letter). However, we are prepared to work with them to modify the proposal in a way that would make the AFDC request approvable. In the same letter, we propose to inform the State that HCFA has serious concerns about the Medicaid waivers requested as part of the demonstration, and that we expect the Food and Nutrition Service to inform the State shortly that their Food Stamp waiver request is unacceptable.

Page 2

We have attached a news article which gives an indication of what we expect the State's reaction to be. When we send the letter, we need to be prepared to respond to what will probably be public expressions of disappointment.

In addition, you should know that the Mayor of Milwaukee has concerns about the Governor's proposal and that the State legislature began hearings on this program last week, and will continue them next week. Considerable concern about the time limit was expressed at the hearing, and release of our letter will insert us into the controversy. Members of the legislative leadership have expressed the desire to complete the bill by the end of October.


Walter Broadnax

Attachment

cc: Ellen Haas


 DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
 Office of the Assistant Secretary, Suite 600
 370 L'Enfant Promenade, S.W.
 Washington, D.C. 20447

Mr. Gerald Whitburn
 Secretary
 Department of Health and
 Social Services
 1 West Wilson Street
 Madison, Wisconsin 53707

Dear Mr. Whitburn:

As you know, Federal staff from both this Department and the Department of Agriculture (USDA) have been in contact with your staff to attempt to resolve outstanding issues regarding the waiver application entitled "Work Not Welfare." However, there continue to be major issues that would prevent us from approving the demonstration in its current form.

With respect to Aid to Families with Dependent Children (AFDC), one issue involves the State's proposal to terminate benefits to families after a specified time period. The Department believes that all persons who cooperate and try their best to gain employment but, through no fault of their own, have not been offered a job, should continue to receive assistance as long as they meet a work requirement. While insisting on work, our perspective takes into account that economic conditions or marginal skill levels could prevent some individuals from obtaining employment due to circumstances beyond their control and that those individuals and their children need to have an adequate safety net.

The second issue is the State's proposal to limit financial assistance to low-income families receiving AFDC who have additional children without providing any opportunity for the parent to achieve the income level the family would have had otherwise. We continue to believe that there should be some means, for example, through earnings or child support, for the family to have the needs of the children met in full.

Additionally, we are concerned that elements of the program design do not sufficiently take welfare dynamics into account. This can result in both inequities and incentives for individuals to remain on welfare longer. Our major inequity concern is that some children who were conceived after a family ceased to receive benefits would remain ineligible for benefits if the family came back on AFDC.

ND

N.J.?
 Ga.?

Page 2 - Mr. Gerald Whitburn

Also, the proposed demonstration would deny health care coverage to individuals who would lose their eligibility for AFDC. The Health Care Financing Administration has indicated that they have serious concerns with the waiver request related to limiting Medicaid eligibility, as it is inconsistent with the department's goal of maintaining and expanding access to health care, especially for the Medicaid-eligible and working poor populations.

We have been informed by representatives of USDA, Food and Nutrition Service, that there are several issues remaining that prevent approval of your application. The request to cash-out food stamp benefits cannot be approved. USDA has already conducted several demonstrations to test the effectiveness of cash-out and does not believe that further experimentation is warranted.

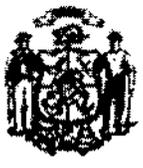
The two remaining issues relate to work program requirements. First, the waiver request for work program exemptions cannot be approved. This proposal would subject certain recipients to a sanction and loss of benefits to which they would not be subjected under the Food Stamp program. The Food Stamp Act prohibits the approval of such provision. The second issue concerns the waiver of food stamp work requirements. USDA staff have discussed their concerns internally, and we understand that this waiver request may be approved with some revision. USDA will be writing to you under separate cover to provide more details.

Because these issues remain, we are unable to approve the proposal in its current form. We have offered proposed modifications which would significantly improve the likelihood of favorable consideration of the project. We are eager to continue to work with you and your staff to achieve an approvable proposal.

Sincerely,

Laurence J. Love
Acting Assistant Secretary
for Children and Families

WR-Wisc



State of Wisconsin
Department of Health and Social Services

1 W. Wilson Street P.O. Box 7850 Madison, Wisconsin 53707-7850 608-266-9622

Gerald Whitburn
Secretary

August 26, 1993

Mary Jo:

A note from the morning paper. Here in Dane County, Wisconsin's most liberal county and County Executive* want to participate in our Work Not Welfare pilot.

This should more fully answer your question about breath of political support for trying two years and off; with "off" meaning "off."

Your office has had the waiver since the first week of June. Because of plans that both the Governor and I have next month, I have to ask you now to wrap this up so we're in a position to go forward no later than September 10th.

Thanks for your continuing cooperation.

Enclosure

cc: Bruce Reed

* This was a surprise as we'd never talked to Rick Phelps, his staff or county board members about this proposal.

Welfare test is sought

By Marv Belousek
City-County reporter

Dane County officials are urging Gov. Tommy Thompson to include the county in his "Work, Not Welfare" initiative.

In a letter Tuesday to the governor, County Executive Richard Phelps said Dane County would be an ideal place to test welfare reform because it is "rich in both human resources and employment opportunities."

Thompson's "Work, Not Welfare" plan would limit cash welfare benefits to a maximum of

... we have placed increased emphasis on work programs for those on public assistance.

Richard Phelps
county executive

two years as a way to move people off welfare faster. The limits would apply to those receiving Aid to Families with Dependent Children in two test counties.

In a July 14 letter, three Dane County supervisors told the governor the county is "committed to improving the welfare system." They are Sup. Ronald Steinhofer, Sup. Kelly McDowell and County Board Chairman Michael Blaska.

Thompson responded to the supervisors and encouraged them to contact Health and Social Services Secretary Gerald Whitburn about participating in the program.

Last year, several supervisors asked the governor to include Dane County in the state's test of a two-tier assistance grant program but the county was not one of those selected.

Under the two-tier plan, welfare recipients coming to Wisconsin from other states are paid benefits in the amount they would have received from the other state for their first six months in Wisconsin. Most states pay less in welfare benefits than Wisconsin.

"Many of us on the County Board felt that Dane County should have been selected for this (two-tiered) program because of the documented growth in our overall population and the continued increases we have experienced in our assistance caseload," the three supervisors wrote.

Phelps opposed inclusion of Dane County in the two-tier test. But he wrote this week that the work initiative would supplement existing county programs.

"In recent years with our "Everybody Works" initiative, we have placed increased emphasis on work programs for those on public assistance," he wrote. "The (county Human Services) department has restructured the Division of Economic Support and Work Services to focus on assistance as a transition to self-sufficiency."

The county executive also cited "unsurpassed" educational opportunities and a "remarkably low" unemployment rate as other reasons to choose Dane County for the "Work, Not Welfare" plan.

Bruce



Department of Administration

John O. Norquist
Mayor

David R. Riemer
Director

Joseph J. Czarnecki
Deputy Director

FAX COVER SHEET

August 31, 1993

WR-Wisc

PLEASE DELIVER TO: ~~Kathi Way~~
FROM: David Riemer
City of Milwaukee

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 2

IF ALL PAGES ARE NOT RECEIVED OR ARE ILLEGIBLE, PLEASE CALL (414) 286-3850. OUR FAX NUMBER IS (414) 286-8547.

MESSAGE:

Thank you for taking the time last week to meet with me.

I thought you would be interested in the attached Milwaukee Journal editorial, which criticizes Governor Thompson's "Work Not Welfare" waiver request and urges Secretary Shalala to reject the proposal unless it is modified to include the community-service jobs component that President Clinton believes to be essential.

I had no idea that this editorial was in the works. As you can see, concern that Governor Thompson's waiver request is fundamentally flawed is widespread in Wisconsin.

THIS IS BEING FAXED A SECOND TIME DUE TO POSSIBLE ILLEGIBILITY, THE FIRST TIME.

THE MILWAUKEE JOURNAL
August 30, 1993

Public service jobs essential

IT USED to be that what Tommy Thompson wanted from the feds regarding welfare, he got. That was when his friend George Bush resided at the White House. Bush has moved out none too soon for Wisconsin's sake. Bill Clinton and his people mustn't be so accommodating to the governor. Unless at least one key change is made, the feds ought to nix Thompson's current request for permission to operate a pilot program that would cut off needy families from welfare after two years even if the parents couldn't find jobs.

The proposal is half of a good idea, but the missing half is essential. The good part: The program, dubbed Work Not Welfare, would require recipients to work. Those who couldn't find regular jobs would be enrolled in job training and community service for up to two years. The most serious of several flaws, however, is the cut-off of benefits after the two-year deadline, no matter how desperately moms have searched for work.

US Health and Human Services Secretary Donna Shalala mustn't allow her department to be bullied by her Wisconsin counterpart, Gerald Whitburn, into going along with the proposal. The Christian Science Monitor quoted Whitburn as saying, "This is a test of whether the president is serious about time limits on

cash benefits." Correction: This is a test of how cruel the feds will allow welfare experiments by the states to become.

Yes, the president has advocated a two-year time limit on benefits. But his reform, as articulated so far, would include community-service jobs after that deadline for those unable to land regular work. Indeed, that

This is a test of how cruel the feds will allow welfare experiments to become.

feature was also included in state Democratic legislators' proposal dubbed Wisconsin Works. Thompson plagiarized part of Wisconsin Works for his Work Not Welfare plan,

but left some key pieces out. Unless the state agrees to restore community-service jobs after the two-year deadline, Shalala and her people ought to turn down the request for the waiver from federal rules.

Welfare as we know it should end; in its stead should be a jobs program. Thompson's proposal doesn't go far enough down that road. However, in Wisconsin — specifically, in Milwaukee — a pilot program is already operating that departs more radically from welfare and that better embodies the thrust of Clinton's ideas than does Thompson's Work Not Welfare. Hence, by supporting efforts to expand the Milwaukee program, called Project New Hope, Shalala can better test the president's ideas.



State of Wisconsin
Department of Health and Social Services

1 W. Wilson Street P.O. Box 7850 Madison, Wisconsin 53707-7850 608-266-9622

Gerald Whitburn
Secretary

August 26, 1993

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WISCONSIN STATE JOURNAL

MADISON, WISCONSIN

August 26, 1993

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By Marv Balousek

City-County reporter

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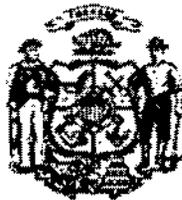
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State of Wisconsin
Department of Health and Social Services

FACSIMILE COVER MESSAGE
(608)266-7882 (Fax #)

TO: Bruce Reed LOCATION: _____

FAX NUMBER: 202-456-7739 TELEPHONE NUMBER: _____

FROM: OFFICE OF THE SECRETARY: Gerald Whitburn
Name

OFFICE OF LEGAL COUNSEL: _____
Name

DIVISION: _____
Name

TELEPHONE NUMBER: 608-266-9622

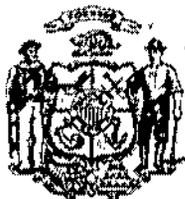
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_____ AT _____
Name Telephone Number

MESSAGE:

Tommy G. Thompson
Governor
Gerald Whitburn
Secretary

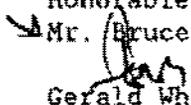


Mailing Address
1 West Wilson Street
Post Office Box 7850
Madison, WI 53707-7850
Telephone (608) 266-9622

State of Wisconsin Department of Health and Social Services

DATE: July 22, 1993

TO: Honorable Mary Jo Bane
Honorable David Ellwood
Mr. Bruce Reed

FROM: 
Gerald Whitburn
Secretary

RE: President Clinton Welfare Reform Site Visit

WR - Wise

As you know, Wisconsin's Learnfare Program is one of the nation's most highly visible welfare reform initiatives. As you arrange for the President to do site visits of demonstration projects, the Thompson Administration would like to invite you to arrange for the President to visit Racine, Wisconsin.

During such a visit he could be exposed to not only the Learnfare Program, but also the Children First Program--our important child support enforcement initiative that was piloted in Racine County (and was recently the subject of a feature article in Newsweek).

We hope that you can work this out.

cc: Carol Rasco

WR Wise

Milwaukee Sentinel

State news

MILWAUKEE SENTINEL Monday, July 12, 1993 5A

'Work Not Welfare' OK sought

By STEVEN WALTERS
Sentinel Madison Bureau

— Madison — State officials will ask the federal government Monday to approve Gov. Tommy G. Thompson's newest welfare-reform plan, which would phase out benefits to individuals receiving aid for two years.

Also, Health and Social Services Secretary Gerald Whitburn said start costs for the "Work Not Welfare" plan would be about \$1 million in the next two years.

But overall, the experiment would save about \$17 million over 11 years, Whitburn added.

That estimate is included in applications for federal waivers that will be sent Monday to the

U.S. Department of Health and Human Services, Whitburn said.

The estimate assumes that the program would affect 1,000 welfare "cases," usually a parent and two children, in two test counties, Whitburn said.

If the federal government gives Wisconsin the waiver and the Legislature passes the program during its fall session, it would begin in the two as-yet unnamed counties in January 1995, Whitburn said.

The waiver application asks federal officials to let Wisconsin run the experiment for seven years, beginning in 1995, followed by a four-year evaluation, Whitburn said.

The \$17 million saving would result from phasing out welfare benefits after two years to recipients who otherwise would continue to collect benefits, Whitburn said.

National studies say two-thirds of all welfare recipients spend an average of eight years or more on welfare, usually over several different periods.

In addition to getting recipients off welfare, Thompson's experiment "will save money," Whitburn said.

Under Thompson's plan, which has attracted national attention, welfare families would get full benefits for only two years and get only "transitional" benefits of

health and child care in the third and final year.

It would push recipients into private jobs, although the state may have to supplement income from some those of jobs initially, Whitburn said.

Most of the \$17 million saved during the 11 years would be federal funds because the federal government pays a larger share of welfare, Medicaid and food stamp costs.

Waivers to all three federal programs are required, state officials said.

Five counties have formally asked to be part of the welfare-reform plan: Rock, Racine, Sha-

wago, Outagamie and Fond du Lac.

Whitburn said Thompson had not ruled out running the experiment in Milwaukee County, which had 37,310 welfare cases in June, or 47% of all cases statewide.

But testing the program in Milwaukee County would be a major challenge, Whitburn added.

Other large counties and their June welfare caseloads were: Racine, 3,570; Dane, 3,355; Rock, 2,908; Kenosha, 2,572; and Brown, 2,266.

Between June 1992 and the same month this year, the number of statewide welfare cases dropped by 3% — from 82,028 to 79,523, officials said.

WISCONSIN STATE JOURNAL

Feds to see welfare plan Thompson's experimental work incentives

By Jeff Meyers
State government reporter

Gov. Tommy Thompson's administration plans today to formally ask the federal government to try a "Work, Not Welfare" experiment state officials claim would save \$17 million in two pilot counties over its 11-year life.

The Republican governor's plan would limit cash welfare benefits to a maximum of two years as a way to move people off welfare faster. The limits would apply to those receiving Aid to Families with Dependent Children in two counties yet to be named, if the federal government and state Legislature approve.

So far, five counties have expressed formal interest in staging the experiment.

State Welfare Secretary Gerald Whitburn said he is more optimistic than ever the Wisconsin request for federal waiver of AFDC, Medicaid and Food Stamp regulations will gain approval from President Clinton's administration in Washington. He is also confident of legislative approval this fall and program start-up in January 1995.

"Democrats are volunteering (support)," Whitburn said. "It's consistent with the president's

welfare reform parameters. And he's ... pro-state experiment.



Whitburn

"We've had a track record of making strong applications."

In outlining the waiver application, Whitburn disclosed that start-up costs would be in the \$1 million range for the 1993-95 budget.

The 1994 estimated planning cost is \$760,500. In 1995, the first-year operation cost is estimated at \$719,800. In 1996, the estimated cost is \$693,500. The appropriation of state tax money would be contained in the bill to be forwarded to the Legislature this fall, Whitburn said. The costs include administration and proposed wage subsidies to businesses that would hire welfare recipients — as well as child care costs for welfare recipients.

The \$17 million savings over 11 years (seven years of operations and four years of evaluation) includes \$13.14 million in federal savings and \$3.86 million in state

savings after start-up costs are factored in, said Whitburn's Department of Health and Social Services. Federal savings are larger because the federal government contributes more to the programs.

The savings assume a per-county AFDC caseload of about 500. More than half of Wisconsin's counties have a caseload of 550, Whitburn said. Milwaukee County's latest caseload was 37,310; Dane County's caseload was 3,355; Rock County's was 2,908.

The state total AFDC caseload in June was 79,523, and Whitburn said monthly AFDC payments total about \$37 million in state and federal dollars.

Whitburn said no county has been ruled out of the experiment but said it's unlikely Milwaukee County would be included because of its sheer size. Dane County hasn't expressed interest, he said.

The following counties have expressed formal interest: Rock, Racine, Shawano, Outagamie and Fond du Lac. Rules would prohibit recipients from moving to another county to escape the two-year welfare limits, but recipients could move out of state if they didn't want to participate, Whitburn said.

W. R. - Wisc.

Tommy G. Thompson
Governor
Gerald Whitburn
Secretary



Mailing Address
1 West Wilson Street
Post Office Box 7850
Madison, WI 53707-7850
Telephone (608) 266-9622

State of Wisconsin
Department of Health and Social Services

June 14, 1993

Mr. Bruce Reed
Deputy Assistant to the President
Domestic Policy Council
The White House
Washington, D.C. 20506

Dear Bruce:

It was very nice talking with you last week. I'm delighted to send along an evaluation on our Children First program as well as several press reports concerning it.

Once again, I look forward to keeping in touch with you.

Best regards.

Sincerely,

A handwritten signature in cursive script that reads "Gerald Whitburn".

Gerald Whitburn
Secretary

Enclosures

PUBLIC LIVES

By Joe Klein

'Make the Daddies Pay'

Once, during a wonderfully rowdy lunch with Daniel Patrick Moynihan, I asked how he'd begin to attack the social pathologies that lie at the heart of chronic welfare dependency. "Make... the daddies... pay," he replied, in an inimitable burst of pyrotechnic syncopation. The senator had isolated the most obvious—and most frequently overlooked—moral imperative of the welfare-reform debate. A great deal of attention is paid the moms; they are the subject of endless scrutiny and demagoguery and sermonizing. They are asked to be both mother and father, to raise children responsibly in often dangerous neighborhoods while finding some way to become self-sufficient.

But what about the dads? It's almost as if all these unfortunate conceptions were immaculate. The fathers, in most (66 percent of all out-of-wedlock) cases, are never identified. And, if identified, they are almost never forced to be responsible for their acts. Only 18 percent pay child support. This is a remarkable scandal. "Anything we expect of the mothers," says David Ellwood, a noted welfare-reform expert now working in the Clinton administration, "we have to be able to expect from the fathers."

If we can find them. In Racine, Wis., they are working hard at it, and making progress—but it's not easy. Racine is one of two counties in the fourth year of an experiment launched by Gov. Tommy Thompson, one of the rare public officials who take welfare reform seriously. It is called Children First. The governor summarizes it succinctly: "If you can't pay child support, we put you to work doing community service [without pay]. If you're not willing to do that, we put you in jail." And they do. Last week in Racine, eight men were sitting in the county jail for failure to pay child support. "We've got some slow learners," said County Executive Dennis Kornwolf. "But the word's beginning to get around that we're serious."

Indeed, most—77 percent—of the deadbeat dads sent into the program simply choose to pay up. For those who can't, community service is loosely defined. It can include job training, job searching or parental-responsibility classes. Few actually wind up shagging litter for the county without pay; the emphasis is on finding work. "We have three goals," says Jean Rogers, the program administrator: "To get them to pay, to pay more and to pay more frequently." Pay they have. A recent study shows that Children First has increased the number of child-support payers by 83 percent and the amount paid by 237 percent. This is, at once,

impressive and modest: most child-support offenders in Racine still manage to beat the rap. "In Wisconsin, we'll find a third and get them to pay, and there's a third we'll never find," says Kevin Van Kamp, a Racine Family Court commissioner. "This program gives us a shot at the other third."

Wisconsin works harder at this than most other states. Its 33.4 percent enforcement rate ranks second in the nation. Children First is succeeding in Racine only because the county already had an unusually assiduous "daddy locating" apparatus in place—with a population of about 175,000, it initiated 972 nonsupport hearings last year, which required an average of about 350 hearings of one sort or another each week, which, in turn, required the full-time attention of 35 employees (as well as a sophisticated computer system and a sympathetic state law that automatically garnishes the payments from the father's salary). Most communities in most states don't have the will or the wherewithal to make that sort of effort; most politicians would rather spend money on schools and highways than on welfare reform.

Paternity pool: Tommy Thompson has tried a half-dozen different (some quite controversial) approaches to the problem and managed to reduce his state's caseload by 17 percent since 1987—but the out-of-wedlock birthrate is soaring and there is a sense of swimming against the tide. The welfare system pays for one out of every three births in Wisconsin; a recent study of major welfare hospitals showed that paternity was established in less than 40 percent of the births. Remember, the state

collects from only a third of the fathers it can find; one third of two fifths is, hmmm, very depressing—maybe 13 percent of all "welfare fathers" in a state that really works at making the daddies pay.

Even if the paternity pool could somehow be enlarged, the hordes of public employees necessary to bring a program like Children First to a city the size of, say, Milwaukee, would be staggering. Which may be why no one talks about child-support enforcement very much; coercing the mothers who receive the checks is much easier. But unless something is done to reach the dads, the immaculate conceptions will continue—indeed, out-of-wedlock births have exploded nationally, from 644,000 in 1978 to 1.1 million in 1990, each bringing with it a greater likelihood of criminal behavior, ill health and welfare dependency. Children First gives a hint of where the solution to this disaster may lie, but also of the enormous resources that will be required to get there.



Where's Papa? 'Wanted': deadbeat dads
JRA WYMAN FOR NEWSWEEK

Child-support payments rise

Collection of funds jumps 132% under test program

By AMY RINARD
Sentinel Madison Bureau

Madison — A two-county state test program in which non-custodial parents either pay the delinquent child support they owe or work at non-paying jobs has increased payments by 132%, state officials said.

In Racine County, people who were referred to the program stepped up their child-support payments by 237%; in Fond du Lac County, payments by program participants jumped 61%.

"This data indicates that many individuals can pay, and when their feet are to the fire, do," said Gerald Whitburn, secretary of the Department of Health and Social Services.

"It appears this model is working and making a significant difference."

The program, called "Children First," was implemented in Fond du lac and Racine counties in 1990. In January it was expanded to Dane, Dunn, Florence, Outagamie, Shawano, Waukesha and Waupaca counties.



"This data indicates that many individuals can pay, and when their feet are to the fire, do."

— GERALD WHITBURN
secretary,
Department of Health and Social Services

More than 75% of program participants are men.

Whitburn said too many men father children with no intention of fulfilling their obligation to see to their children's needs.

"These data demonstrate that, when nudged by a program like this, significantly higher levels of payments are forthcoming," he said.

Under the program, an unemployed or underemployed parent who is delinquent in child support payments is referred to a court by a county child support agency.

The parent then is ordered into the Children First program and given the choice of paying full child support for three consecutive months or completing 16 weeks of assigned work without pay; 77% start making their payments.

When a parent is determined to be in need of job training, a case manager enrolls the parent in training, education or job search activities if the parent does not make child-support payments immediately.

Failure to comply with program requirements can land the delinquent parent in jail.

Counties administer the program and receive \$200 for every person enrolled in it.

This year, the state is expected to pay \$212,400 to the counties under the program.

An evaluation of the Children First program Whitburn released shows that non-custodial parents in Racine County paid an average of \$107 during a six-month period before entering the program, compared with an average of \$361 in the six months after they started the program.

In Fond du Lac County, the six months of average payments rose from \$206 before the program to \$333 after.

Whitburn said the program is succeeding in "putting more money into the hands of poor families," most of which are headed by single women.

Children First and other state efforts to step up the rate of child-support payments are needed to help "knock down the \$1 billion in arrears we have in Wisconsin" in support payments, Whitburn said.

June 14, 1993

Child support reforms work, study shows

By Jeff Mayers
State government reporter

A state study of the experimental "Children First" program suggests that many of those behind in court-ordered child support payments can pay.

"Our data suggests many individuals can pay when their feet are put to the fire," said state Welfare Secretary Gerald Whitburn, who released the new study over the weekend.

Whitburn said the Children First program, involving more than 1,000 deadbeat parents in Dane and eight other counties, gets more money to poor kids.

"It appears the model is working," he said.

The results touted by Whitburn should boost the chances of more child support enforcement measures working their way through the Legislature. Much of Gov. Tommy Thompson's new package gained approval of a state Senate committee last week.

The Children First program — part of an array of Thompson's hallmark welfare reform measures — doesn't target just welfare recipients, but many of those helped are poor single mothers with children, officials said.

Whitburn said criticisms that Thompson engages in "welfare bashing" doesn't fit. "We're working to get money to them," he said.

The study by Whitburn's Department of Health and Social Services looked at 1992 results in the two initial pilot counties, Racine and Fond du Lac, where the program has been operating since 1990. The seven other counties, including Dane, joined the state-funded, county-administered program at the beginning of this year.

The program costs the state

more than \$200,000 a year — a cost the state says is offset by the increased payments from negligent parents, most of whom are men.

The new state study examined the child support payment histories of 127 delinquent parents ordered into the program by local courts. It compared payment histories in the first six months of 1992 before enrollment to the six-month period after enrollment.

In Racine County, the number of parents paying child support rose by 83 percent after enrollment, according to a random sample of the Children First participants. In Fond du Lac County, the number of parents paying child support rose by 37 percent after enrollment, according to a survey of the entire target group.

For the two counties combined, the average of six months' child support payments after enrollment was \$348.59, compared to a pre-enrollment average of \$150.12.

"In other words, the state's \$200 cost it reimburses counties for each Children First participant is, on average, offset with a nearly identical increase in child support payments within six months after enrollment," the study says.

"Given that many of the custodial parents and children receiving child support payments tend to be at or near the poverty level, the receipt of child support payments becomes an important component in financial planning," the study adds.

The study concluded that "enrollment in the Children First program seems to increase the amount of child support collected, increase the number of parents who pay support, and increase the frequency by which child support payments are made."

WISCONSIN'S
COMMUNITY WORK EXPERIENCE PROGRAM
FOR NONCUSTODIAL PARENTS

1st
CHILDREN FIRST

THE CHILDREN FIRST PROGRAM

A Report to the Administrator

John A. Wagner

Division of Economic Support

May 1993

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INTRODUCTION

The Community Work Experience Program for Noncustodial Parents, also referred to as the Children First program, has operated in Racine and Fond du Lac counties since January 1, 1990. Effective January 1, 1993, seven additional counties have begun to implement the Children First program. With the expansion of the program, there has been a heightened interest in the impact the Children First program may be having. This report examines three fundamental results of the program: the effect of enrollment in the Children First program on child support payments, on the number of participants actually paying some child support, and on the frequency by which noncustodial parents pay some amount of child support.

In order to measure the impact of the Children First program on these variables, a "pre-/post-" test was designed, allowing a comparison of child support payments made by noncustodial parents during six months prior to their enrollment in Children First to payments made during six months after their enrollment. The research design and methodology will be explained in further detail later in this report.

This analysis of child support payments is limited to Fond du Lac and Racine counties. Obviously, the seven counties that began operating the Children First program January 1, 1993, have not had enough time to establish adequate payment histories for noncustodial parents enrolled in their programs.

It should be noted that the Children First program in both Fond du Lac and Racine counties was the subject of a study by the Office of Policy and Budget (OPB) done in May, 1991. This report will provide updated information as a basis of comparison to the study conducted by OPB. Similarities and differences between the two studies will be noted where appropriate.

RESEARCH DESIGN

For the purposes of this report, a simple research design was constructed in order to compare the three variables or outcomes affected by enrollment in the Children First program. Two time periods were compared. The first or "pre-enrollment period" is defined as six full months prior to the day before enrollment in the Children First program. The second or "post-enrollment period" includes the date of enrollment for each client and six full months subsequent to that date. The division of child support payments into these two time periods allows one to compare actual payments before and after enrollment in Children First.

It should be pointed out, however, that the post-enrollment payment will not capture completely the effect of Children First, for two reasons. First and most obvious, this definition and analysis will not measure what long-term effects enrollment in the Children First program may have. Does the amount of or frequency of child support payments continue to increase or taper off after a period of time? This question is beyond the scope of this report.

Secondly, during the compilation of payment data, it became evident that the act of bringing to court a noncustodial parent who is delinquent in the payment of child support seems to coincide with some child support payment being made around the time of the court date. Many records indicate that the child support agency receives some payment around the time

that a parent is scheduled to appear in court. In this report, the beneficial impact (i.e., child support payments) of bringing the parent before the court for referral into Children First is attributed to the program only when payment is made during the post-enrollment period. When a parent is notified in advance of a court date for referral into the program and payments are made prior to that referral date, they are not included in post-enrollment payments in this report (and thus appear as regular pre-enrollment payments, discounting any effect of Children First). In other words, there may be some "spill-over" effects that underestimate the true impact the Children First program is having on child support payments.

METHODOLOGY

As mentioned in the Introduction, a comparison between the pre-enrollment and post-enrollment periods will be made for the following three variables:

1. Child support collections. This is measured by the total amount of child support collected from Children First participants before and after referral to the program. This total is the average for the two six-month periods. As a result, it represents the average paid during six months, not a monthly average;
2. The number of parents paying child support. This number looks at the Children First participants for each county and compares the total number of parents who made any child support payment at all during the pre- and post-enrollment periods;
3. The frequency of child support payments. The frequency with which payments are made is measured by counting the number of months each parent made any amount of payment during the pre- and post-enrollment periods. It identifies whether a payment was made in a given month; therefore multiple payments in one month count only once. As a result, this measurement only captures monthly frequency and does not take into account the amount paid or whether payments were made on more than one occasion during the month.

Each of the two counties in this report were analyzed separately. Data for Racine County was compiled and verified by the author. The data for Fond du Lac County was provided by staff of the county's child support agency and Children First program. It is important to note that most of this data was collected and calculated by hand, with the inherent risk of human error. This section will explain in detail the process by which this data was gathered and calculated for the two counties included in this study.

Racine County

The first step in gathering data for Racine County was to contact Goodwill Industries of Racine, the subcontractor for Children First case management services. Goodwill generated a list of all individuals who were referred by the court to the Children First program at any time during 1992. This totalled 426 individuals. From this were subtracted 10 individuals referred to but not enrolled in the program during 1992, for a subtotal of 416 persons enrolled in 1992. In addition, there were 155 referrals who had not been in the program

long enough to accumulate six month's worth of child support payment history (i.e., they had been referred after August 3, 1992, which was less than six months before the cutoff date on which the child support payment records were printed for this report, February 3, 1993).

This left a subtotal of 261 individuals who were referred to and enrolled in the Children First program during 1992, who had at least six months of child support payment data (six months after the date of enrollment).

From this adjusted total of 261 participants a random sample was drawn. This process was done with the assistance and advice of OPB, which generated a table of random numbers. Based on the numbers in this table, the payment histories of 80 individuals were selected. After obtaining hard-copy printouts of these payment histories from the Racine County Child Support Agency, it was found that 8 individuals had insufficient data to be included in the sample. (In effect, their child support orders had not been established six full months prior to their enrollment in Children First, thus underestimating their total pre-enrollment payments.) These individuals were excluded from the sample, for a final sample size of 72 Children First participants. This sample represents 28 percent of the population of the 261 individuals referred to and enrolled in the program during 1992, with complete payment data.

The following is a summary of this selection/exclusion process:

UNIVERSE

- 426 Total number of individuals referred to the Children First program during 1992;
- 10 Individuals who were referred to the program but did not enroll in Children First during 1992;
- 155 Individuals who had been enrolled after August 3, 1992, and who consequently did not have a full six months of post-enrollment payment history at the date this study began;
- 261 Adjusted total

SAMPLE

- 80 Cases randomly selected from the 261 adjusted total;
- 8 Cases had to be excluded, due to insufficient pre-enrollment payment history;
- 72 Adjusted sample (28 percent of 261)

After the 72 individuals were identified for the sample, their payment records were printed for six months prior to and six months after their enrollment in the Children First program. A record was printed for every case in which an order was established. Many individuals

had more than one established paternity case and/or child support order, all of which were then summed based on the date of referral and the pre-enrollment, post-enrollment criteria cited above.

After totals for each case with the payment data for the 72 individuals had been calculated, the results were reviewed by the Compliance Supervisor of the Racine County Child Support Agency. Each individual case was examined, with some adjustments made. The major adjustment included the subtraction of all child support payments received through the federal and state tax intercept programs. These payments are not always coded in the payment records and there was no way to identify them except to go through each case individually. It was determined that because these payments do not represent a willful payment from the parent (not coming from the parent) and are not a function of any Children First activity or action, they should not be counted as a result of the Children First program. This view was shared by the directors of the child support agencies in both Racine and Fond du Lac counties. Therefore all tax intercept payments were excluded from the payment data for both counties.

Purges are another type of lump-sum payments that are recorded on a noncustodial parent's payment history. Often times, a noncustodial parent who is delinquent in child support is ordered by the court to pay an amount, i.e., a purge, instead of being sent to jail. They are a response to noncompliance with the requirements of the child support order, including enrollment in the Children First program. It is through the Children First program that these parents are actually brought before the court for the issue of noncompliance. Although all parents delinquent in their child support payments can be ordered to pay a purge, these amounts are included in this analysis for both time frames--the pre-enrollment period and the post-enrollment period--because the Children First program is a factor in their being monitored and brought before the court.

After totals had been calculated for each of the 72 individuals in the sample, they were then entered into a spreadsheet to obtain a grand total of pre-enrollment and post-enrollment data. Also counted was the total number of parents making child support payments and the frequency of the payments.

Fond du Lac County

As previously mentioned, Fond du Lac County compiled and tabulated their own data. They provided a list of all individuals who had been enrolled in the Children First program during 1992. This list included the child support order date, the referral date into Children First, the total amount of child support received six months prior to the referral date, and the total amount of child support received six months after referral. The list included 85 individuals who had been enrolled in Children First during 1992.

From this were excluded 30 individuals with insufficient payment histories (i.e., their order had not been established six full months before enrollment leaving them with insufficient pre-enrollment data or they were enrolled in the program late in 1992 providing insufficient post-enrollment data). This provided an adjusted total of 55 individuals, all of whom were included in this report. No sample was used.

The following data on the 55 Children First participants was then entered into the spreadsheet: participant's name, the total amount of child support received six months prior to the enrollment date, and the total amount of child support received six months after enrollment. No data on the frequency of payments was obtained.

RESULTS

Several measurements illustrate the positive impact the Children First program is having on the three variables analyzed in this report.

As previously mentioned, a fundamental impact that this report has set out to measure is the effect of the Children First program on child support payments of noncustodial parents who participate in the program. Although the experiences in both counties vary, both Fond du Lac and Racine counties registered increases in the amount of child support collected from Children First participants:

- In 1992 in Racine County, the average six-month child support payment by noncustodial parents who participated in Children First jumped 237% after enrollment, as compared to the average of their payments six months before enrollment in the program. Prior to enrollment in Children First, the average of the total child support collected during six months from parents who participated in the program was \$107.11. After their enrollment in Children First, the average total payment was \$360.89. (Both amounts represent an average of the total paid during the six-month time frames identified above.)
- In 1992 in Fond du Lac County, the average six-month child support payment by noncustodial parents who participated in Children First jumped 61% after enrollment, as compared to the average of their payments six months before enrollment in the program. Prior to enrollment in Children First, the average of the total child support during six months from parents who participated in the program was \$206.43. After enrollment in Children First, the average total payment was \$332.50. (Both amounts represent an average of the total paid during the six-month time frames previously identified.)
- In 1992, the weighted average of total six-month child support payments for both counties combined increased 132% for Children First participants, increasing from an average of \$150.12 before enrollment to \$348.59 after enrollment. (See Table I.)

Given the above data, some observations can be made. First of all, it is evident that Racine County witnessed a much higher increase in the six-month average child support payment after enrollment in Children First, compared to Fond du Lac County's increase. This supports the finding of the Children First evaluation conducted by the Office of Policy and Budget (OPB, May, 1991). Perhaps some of this difference may be due to the enhanced services (additional motivational classes and support groups) that are offered in Racine County, although currently this remains conjecture. It is important to point out that the initial average payments of Fond du Lac Children First participants are significantly higher than those in Racine. The average monthly pre-enrollment payment is \$107.11 in Racine compared to the \$206.43 average monthly pre-enrollment payment in Fond du Lac--almost double Racine's average. One could argue that there is more "room for improvement" in Racine.

Interestingly, the payment differences in the two counties are less apparent when looking at their post-enrollment averages. Racine's average is slightly higher, at \$360.89 compared to Fond du Lac's \$332.50.

Whether this can be attributed to Racine's Children First services, however, needs further analysis and is beyond the scope of this report.

A second and important observation can be made on the average payments for both counties. For Racine and Fond du Lac counties combined, the average of six month's child support payments after enrollment is \$348.59, compared to a pre-enrollment average of \$150.12, for an average net dollar increase of \$198.47 per participant. All things being equal, the average noncustodial parent would pay an extra \$198.47 in child support over six months if s/he enrolled in the Children First program. In other words, the state's \$200 cost it reimburses counties for each Children First participant is, on average, offset with a nearly identical increase in child support payments within six months after enrollment.

In addition to the effect Children First has on the amount of child support payments received from program participants, other observations can be made. One is the effect of Children First on the total number of noncustodial parents who make no payments at all or, conversely, the number of parents who make any child support payments:

- In Racine County in 1992, the number of parents paying child support increased 83% after they had been enrolled in Children First. During the pre-enrollment period, 29 (or 40%) of the sample of 72 parents had made at least one payment during the six months; during the post-enrollment period, 53 (or 74%) of the sample of 72 parents had made at least one payment during the six months.
- In Fond du Lac County in 1992, the number of parents paying child support increased 37%--from 30 out of the 55 parents during the pre-enrollment period, to 41 out of the 55 parents during the post-enrollment period. (See Table II.)

Given that many of the custodial parents and children receiving child support payments tend to be at or near the poverty level, the receipt of child support becomes an important component in financial planning. Being able to count on regular child support payments becomes more acute; sporadic payments make it difficult for financial planning. As a result, the frequency with which child support payments are made is an important, and therefore was the third effect of the Children First program to be analyzed in this report. This variable--the average number of months during the defined six-month periods before and after program enrollment during which some child support is paid--was obtained only for Racine County:

Before enrollment in Children First, noncustodial parents paid some amount of child support on average less than one month (.875 month) during the six-month, pre-enrollment period. After enrollment in Children First, child support payments were received during an average of 2.44 months during the six-month post-enrollment period. In other words, the frequency of child support payments in Racine County increased 179% after enrollment in the Children First program.

All three of these variables (amount of child support collected, number of parents paying child support, and the frequency of child support payments) were included in the Office of Policy and Budget's evaluation of the Children First program in 1991. As a comparison, OPB's findings and those of this report are summarized as follows:

Summary of Findings from OPB and DES Evaluations

	<u>OPB Evaluation 5/91</u>		<u>DES Report 5/93</u>	
	<u>Racine</u>	<u>FDL</u>	<u>Racine</u>	<u>FDL</u>
Average Total Child Support Payments:	+145%	+28%	+237%	+61%
Number of Parents Paying Child Support:	+94%	+44%	+83%	+37%
Average Number of Months Each Parent Paid during 6-month Period:	+154%	+132%	+179%	NA

CONCLUSION

The data analyzed in this report shows that enrollment in the Children First program seems to increase the amount of child support collected, increase the number of parents who pay support, and increase the frequency by which child support payments are made. These observations are for noncustodial parents who enroll in the Children First program, comparing their child support payment histories six months before to six months after their enrollment in the program.

An interesting point of these findings is the extent to which they mirror the earlier findings of the Children First evaluation conducted by OPB. While the measurements of all variables identified above increased for the post-enrollment period, the rates of increases differed between Racine and Fond du Lac counties. In all cases, these differing rates were identified in both the OPB evaluation and this current DES report. Also, the increase in child support collections in both counties is even more substantial comparing the data from 1991 to 1993, perhaps a reflection of the counties having had a longer period of time to implement the Children First program.

Refer to the following pages for tables that summarize the findings of this report.

TABLE I

Avg. Paid Before/After Enrollment

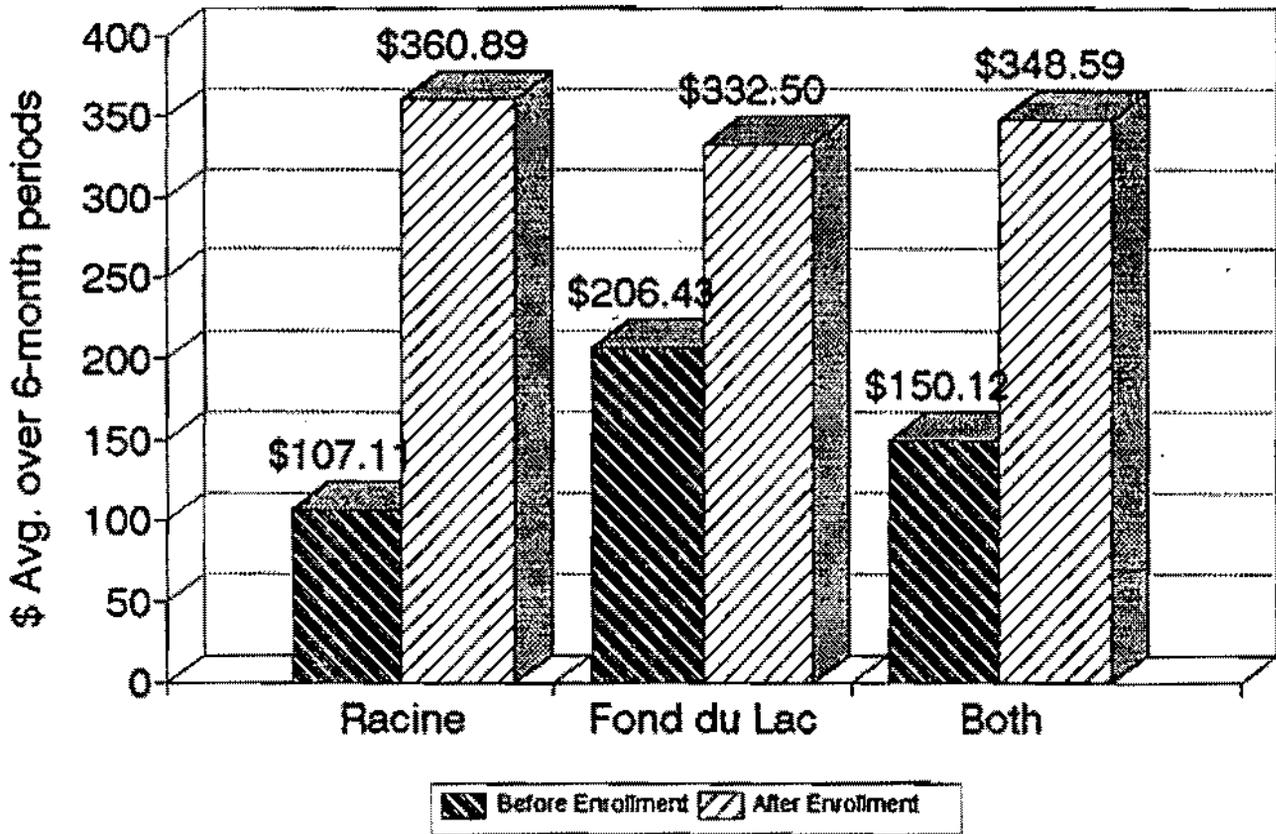
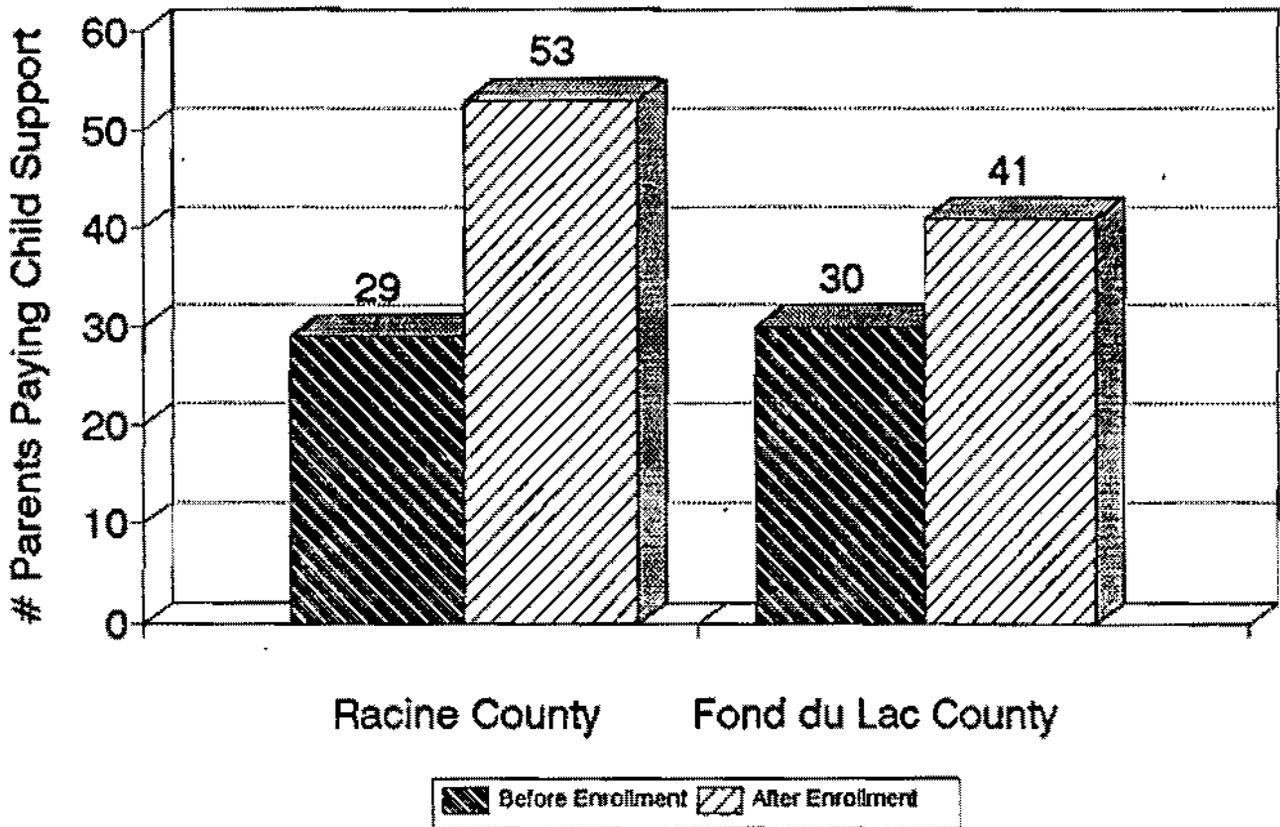


TABLE II
Parents Paying Before/After Enrollment





STATE OF WISCONSIN

1st

CHILDREN FIRST

WISCONSIN'S
COMMUNITY WORK EXPERIENCE PROGRAM
FOR NONCUSTODIAL PARENTS

June, 1993

CHILDREN FIRST

In 1988, Governor Thompson's proposed Children First pilot program was enacted to encourage child support payments by noncustodial parents.

A similar federal program -- the Parents' Fair Share Program -- was implemented in 1992 as a demonstration project by the U.S. Department of Health and Human Services.

A June, 1993 study by the Wisconsin Department of Health and Social Services shows that Children First has had remarkable success in increasing child support payments to children.

The study examined child support payment histories of 127 parents enrolled in the Children First program in the state's two pilot counties.

The study compared the participants' payment histories during the six-month period preceding enrollment in the program vs. the six month period after enrollment in Children First.

THE 1992 RESULTS

Racine County

- Child support payments increased by 237% after enrollment in Children First.**
- The number of parents paying child support increased by 83% after enrollment in the program.**

Fond du Lac County

- Child support payments increased by 61% after enrollment in Children First.**
- The number of parents paying child support increased by 37% after enrollment in the program.**

Combined Results

- Child support payments increased by 132%.
- The number of parents paying child support increased by 59%.

THE PROBLEM

Nationally, in single parent families, those who do not receive child support payments are more than twice as likely to be poor as families who do.

Nationwide in 1991, the publicly funded child support system collected payments in only 19.3% of its cases in which a noncustodial parent was under a court order to make child support payments.

Wisconsin's child support collection rate is 33.4%, the second-highest state collection rate in the nation. Yet, nearly \$1 billion in child support remains uncollected and in arrears.

Unemployed and underemployed parents often lack the training and work history necessary to earn sufficient income to make child support payments.

Under the current AFDC program, most noncustodial parents do not qualify for job training and employment services offered through the JOBS program.

THE PROGRAM

Children First was first implemented in two Wisconsin counties beginning in 1990. In 1993, the program was expanded to seven additional counties.

Children First assists noncustodial parents to pay child support by increasing their job readiness. Under the program, unemployed or underemployed parents who are subject to court-ordered child support payments may be provided with job training services to help increase their earnings.

Here is how the program works:

- An unemployed or underemployed parent who is delinquent or has little prospect of making child support payments is referred to the court by the County child support agency.

- The parent is ordered by the court into the Children First program.

- A case manager assesses the parent's training needs and enrolls the parent in training, education, or job search activities as appropriate, if the parent does not make child support payments immediately.

- A parent satisfies Children First requirements by either:

a) Paying full child support for three consecutive months; or

b) completing 16 weeks of assigned activities without pay.

Failure to comply with program requirements can result in incarceration.

- The court rescinds order placing parent in Children First upon satisfaction of program requirements.

- The Court enters a new child support order reflecting the parent's new employment status.

Children First provides job training and employment services that otherwise would be available only to AFDC recipients under the current JOBS program.

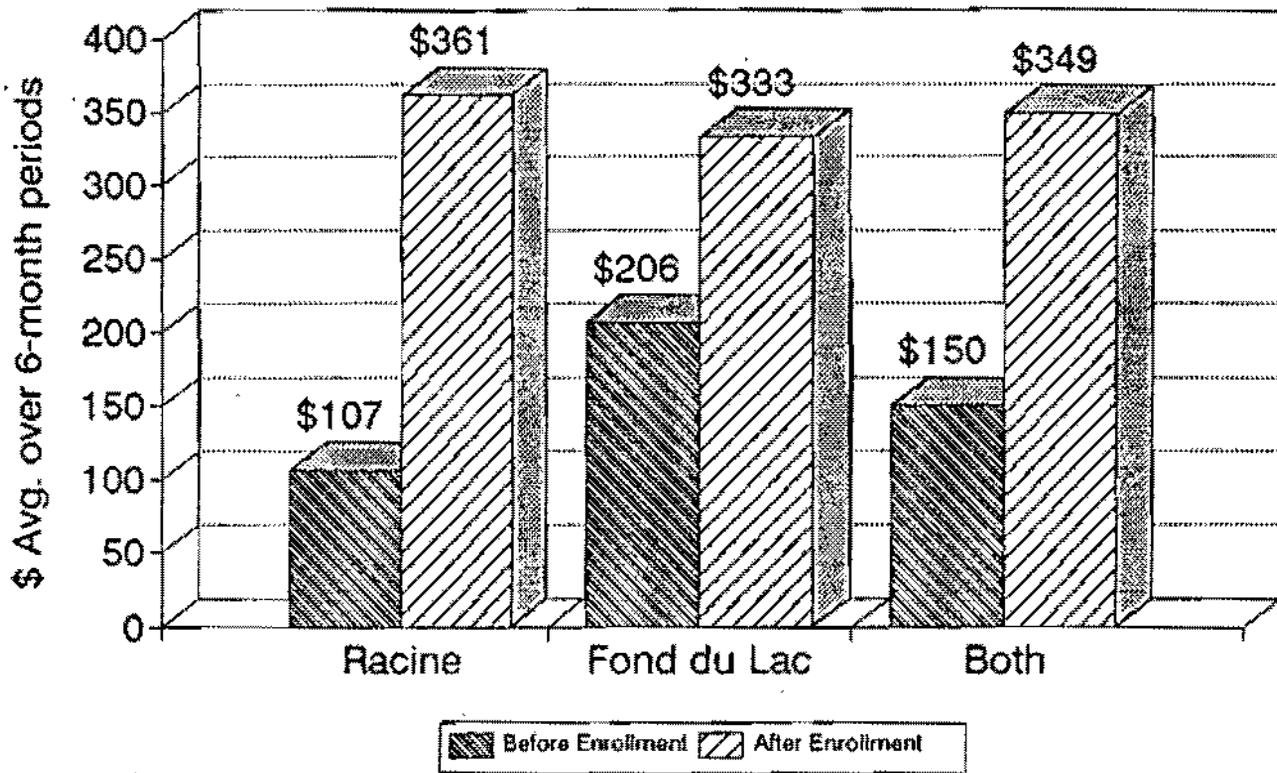
Children First combines judicial and social service resources to increase child support payments. The program provides courts with an innovative alternative to incarceration when enforcing the child support obligations of parents with little or no income.

"Children First is working. Noncustodial parents in this program are doing more to support their kids. Getting additional dollars to these families is key!"

**Tommy G. Thompson
Governor**

CHILDREN FIRST PARTICIPANTS

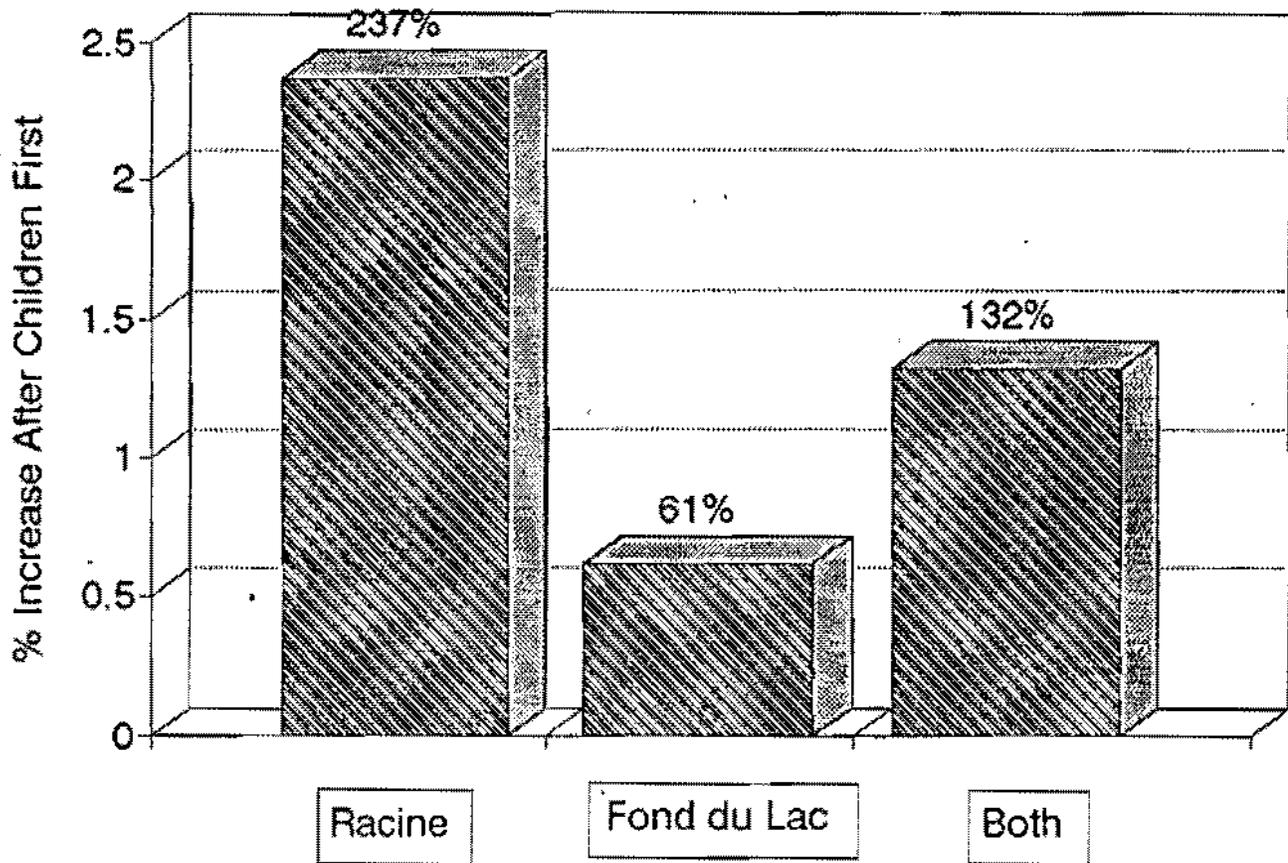
Avg. Paid Before/After Enrollment



*Amounts include total paid during 6-month period prior to date of enrollment in the Children First program and 6 months after.

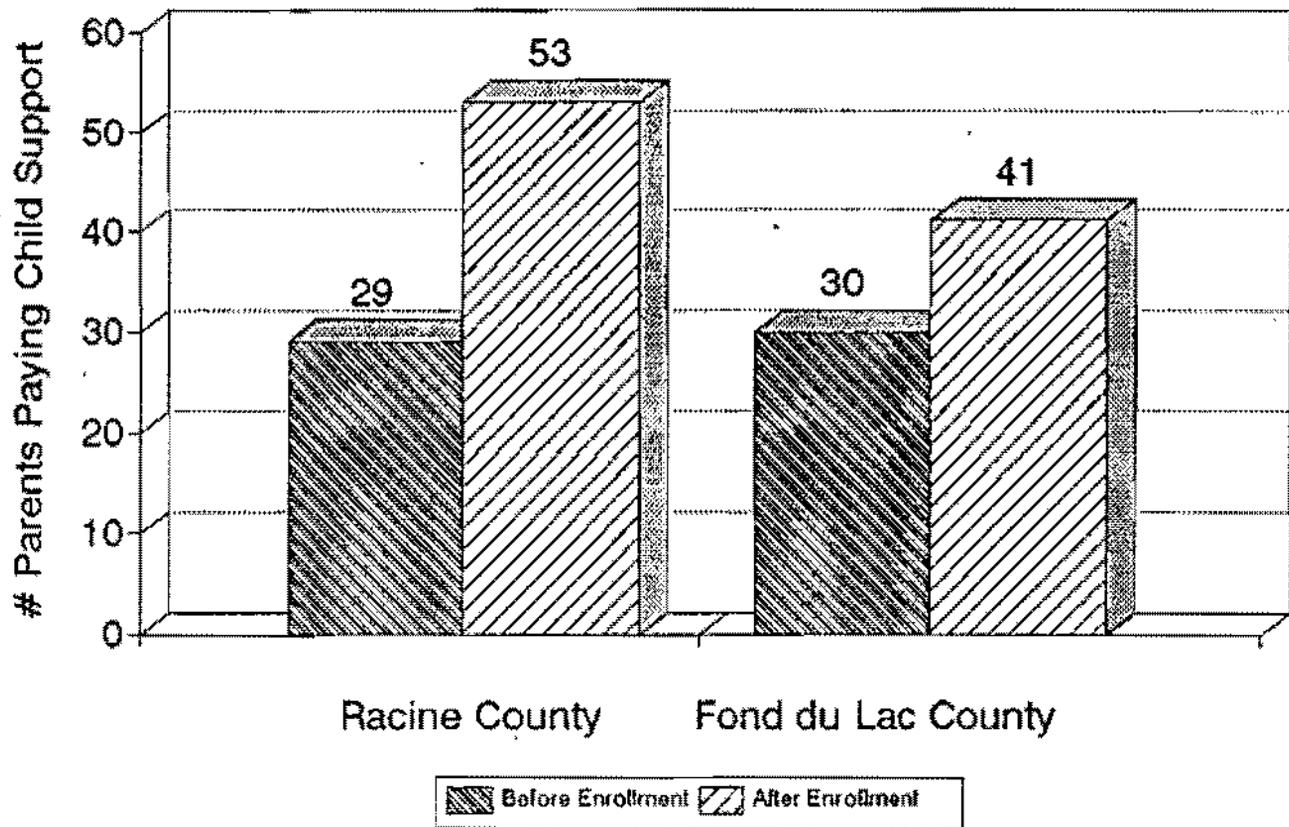
CHILDREN FIRST

Percentage Increase in Payments



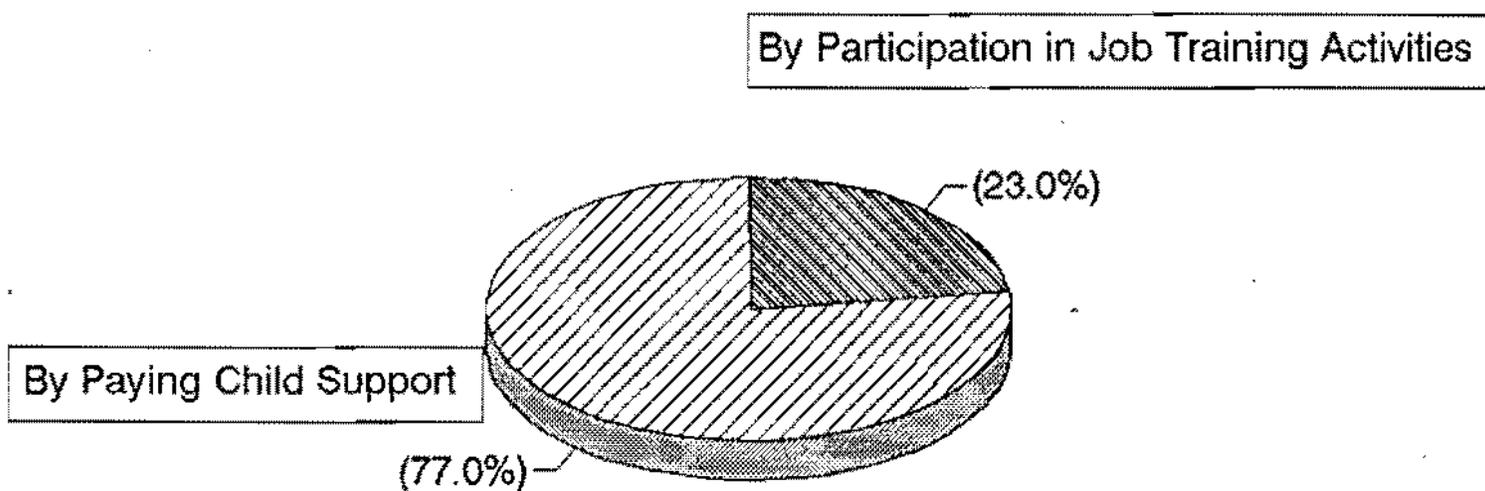
CHILDREN FIRST PARTICIPANTS

Parents Paying Before/After Enrollment



CHILDREN FIRST

1992 Successful Completions



Conclusion: 77% of those who successfully completed the program in 1992 satisfied the program's obligations by paying child support, while 23% participated in job training activities.

June 7, 1993

3 counties offer to test 'Work, Not Welfare' plan

By STEVEN WALTERS,
Sentinel Madison Bureau

Madison — The welfare reform plan proposed by Gov. Tommy G. Thompson on May 27 already has three counties volunteering to serve as test areas, a state official said Sunday.

"We expected a positive reaction, but not this quickly," said State Health and Social Services Secretary Gerald Whitburn.

Racine, Rock and Shawano counties have offered to try the proposed "Work, Not Welfare"

system, Whitburn said.

The plan would give welfare recipients cash help for only two years; require that they work only weeks after they seek benefits; and provide child care — if needed — and medical insurance in the third, or "transition," year.

Thompson's proposal must be approved by the Legislature and the federal government.

In the next few weeks, he is expected to make a formal request for federal approval, which would clear the way for the Legislature to approve it this fall.

Within days of the announcement, Whitburn said:

■ Rock County officials, saying their county "has the type of urban / rural mix which would (be) a fair test," offered to run a pilot program.

"The present (Aid to Families with Dependent Children) program sends the wrong kind of message to recipients and their children when income does not relate obviously to work," Dennis Kirchoff, director of Rock County's Department of Social Ser-

vices and Community Programs, wrote June 1.

Thompson's plan seems "to establish cultural expectations associated with pride for work which would accrue to both parents and children," Kirchoff added.

■ Racine County officials also volunteered.

"There is no doubt that the current welfare system is a failure and needs to be fixed," Racine County Executive Dennis Kornwolf wrote in a June 3 letter to Whitburn.

Racine County "has demonstrated a commitment to make new programs successful," and the governor's plan "is sure to be a model for the country," Kornwolf added.

■ Shawano County officials also asked to be designated as a test county, saying the current welfare system fails to lead recipients "back to independence."

"This proposed approach is the first new and comprehensive effort to reform the state's public assistance programs," said Rich-

ard G. Shepard, social work supervisor for Shawano County's Department of Social Services.

Whitburn said he expects other counties to volunteer soon.

Counties chosen for the test will not be picked on a first-come, first-served basis, Whitburn said.

Thompson could even choose Milwaukee County as a test site, Whitburn said.

"It would be, in some ways, a bigger job" to test the program in Milwaukee County, he said.

Milwaukee

THE JOURNAL

Sunday, June 6, 1993

JOURNAL POLL

Last Thursday, The Journal asked 400 Wisconsin residents about Gov. Tommy G. Thompson's proposal to require healthy welfare recipients to work or train for a job. After two years, their benefits would end. The response:

- 85% favored the plan
 - 13% opposed the plan
 - 2% had no opinion
-

Tommy G. Thompson
Governor
Gerald Whitburn
Secretary



Mailing Address
1 West Wilson Street
Post Office Box 7850
Madison, WI 53707-7850
Telephone (608) 266-9622

State of Wisconsin
Department of Health and Social Services

June 7, 1993

Mr. Bruce Reed
Deputy Assistant to the President
Domestic Policy Council
The White House
Washington, D.C. 20506

Dear Mr. Reed:

Attached is information concerning Governor Thompson's welfare reform initiative, WORK NOT WELFARE and the reaction to it.

I look forward to keeping in touch with you on this, as appropriate.

Best regards.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Gerald Whitburn'.

Gerald Whitburn
Secretary

Enclosures

THE WALL STREET JOURNAL.

June 3, 1993

Work Not Welfare

Bill Clinton vowed to "end welfare as we know it" and proposed a two-year limit on welfare benefits for able-bodied adults. Now there's a proposal to do just that. In Wisconsin.

Wisconsin Governor Tommy Thompson has announced an ambitious pilot program to radically reshape the welfare system in his state. If it works, it could give the word welfare back its original definition as a temporary helping hand, not a permanent way of life. Governor Thompson sounded a lot like Candidate Clinton when he said, "We need a welfare system that rewards work and prohibits long-term dependency."

Work Not Welfare is the title of the proposed program. While many other programs in Wisconsin and elsewhere encourage welfare recipients to work, Work Not Welfare requires it. The program is aimed at people—mostly young women—receiving Aid to Families With Dependent Children. Under the plan, every able-bodied person applying for AFDC benefits will be required to sign a contract pledging to work for benefits. Within 30 days, she must begin a job or job-training. The state will provide training, child care, transportation, health benefits and job-placement assistance. If a recipient can't find a private-sector job, the government will provide one in the public sector.

What makes the Wisconsin plan even more radical—and what gives it its best shot at working—is that it puts a limit on the length of time someone can stay on welfare. Under Governor Thompson's proposal, after two years, cash benefits will cease. After the third year, medical and child-care benefits will stop. (Children would continue to receive non-

cash benefits such as food and medical care.) Common-sense exceptions would be made, such as for teenage mothers who need to finish high school or parents of severely handicapped children.

Another radical feature of Work Not Welfare is how it treats food stamps. It essentially does away with them, paying out the equivalent amount in cash. A mother with two children who now gets \$517 a month in cash and \$212 in food stamps would instead receive \$729 in cash.

This recognizes the reality that food stamps are fungible, that it's an easy matter to convert food stamps into cash on the black market. More important, cashing out food stamps helps to approximate more closely the true value of a recipient's welfare benefits. Because in-kind benefits such as food stamps usually aren't calculated as income, this has the pernicious effect of suggesting that the poor are worse off than they really are.

Wisconsin has long been a leader in welfare reform. Work Not Welfare is just the latest in a series of reforms under Governor Thompson that have resulted in a 17% decrease since 1987 in the number of people receiving AFDC benefits in the state. Over the same time period only two other states (Iowa and Illinois) saw their caseloads decline; all the rest saw their welfare rolls increase.

Work Not Welfare has bipartisan support in the Wisconsin legislature, which is likely to approve a pilot program for two counties. Less certain are the waivers that Wisconsin must get from the U.S. Department of Health and Human Services to introduce the pilot program.

In a visit to Milwaukee Tuesday, President Clinton once again embraced the idea of limiting welfare benefits to two years, though he didn't endorse Work Not Welfare. How his administration responds to Wisconsin's request will suggest how serious he is about the much touted goal of welfare reform.



Tommy Thompson

Milwaukee Sentinel

June 7, 1993

Approve it: Thompson welfare deadline plan is step forward

A messy game of partisanship and authorship was greeted Republican Gov. Tommy G. Thompson's proposed "work, not welfare" program.

But there should be enough agreement about the plan's primary goal to enable both major political parties to arrive at some kind of accommodation and turn the plan into law.

If nothing else, the fact that the Clinton administration is leaning in Thompson's direction on this one should give Democratic lawmakers some political cover from which they can support legislation that partisanship might otherwise force them to oppose.

Just as the Thompson team was making the rounds of editorial boards to stimulate support for the plan, Donna Shalala, Clinton's secretary of

health and human services and former University of Wisconsin — Madison Chancellor, was saying that low-income women should not stay home at taxpayer expense while working class mothers work to support their families.

The statement was consistent with President Clinton's notion that low-income Americans should be given education, training and public assistance for two years, followed by work requirements for those who are able.

And it was entirely consistent with Thompson's efforts to beat the federal government to the punch and have welfare-to-work requirements on the books in Wisconsin before the end of the year.

But a pride of authorship contest has started between state Democrats and the Republican

governor over who gets the credit for the plan. Democrats claim Thompson's plan borrows much from their "Wisconsin Works" plan of a previous legislative session.

Although there are similarities, there is one huge difference.

Thompson would establish deadlines for recipients of Aid to Families with Dependent Children to look for work, ending welfare payments after two years.

Last year's Democratic plan, while ending many welfare programs, would have allowed recipients to retain their eligibility indefinitely as long as they were looking for employment or held public-service jobs.

Thompson's plan is best defined as time-limited

benefits, giving recipients up to three years, if one includes transitional medical and child care benefits, to put their lives in focus.

It's an ambitious program — radical, some say — to draw down the welfare rolls with a combination of training, incentive and a safety net and yet set a deadline that must be met.

Democrats may want to take some time to fire off a few partisan rounds while Thompson seeks federal waivers from the Clinton administration to enact the plan.

But as Assembly Speaker Walter J. Kunicki (D-Milwaukee) said:

"A good idea is a good idea. We'll give the governor a little kick in the pants — and then pass the plan."

May 30, 1993

OUR OPINION

Welfare plan could work

The welfare reform plan unveiled by Gov. Tommy Thompson on Thursday will quickly be denounced as "draconian" and even "slavery" by those paleo-liberals who cling to the outdated notion that society owes people a living.

Pay them no heed. The potential worth of this program is revealed in comments from several right-thinking Democrats in the state Assembly, whose chief complaint with the Work Not Welfare proposal seems to be "We thought of it first!"

Just how necessary this program is can be determined from the comments of Assembly Majority Leader David Travis, D-Madison, who said, "We have to work to end the intergenerational dependency which is being fostered by the Aid to Families with Dependent Children system we have currently."

And its necessity can be determined as well from a single statistic: 65 percent of the 81,000 families on state AFDC rolls will spend eight years or more collecting welfare when they ought to be working.

Work Not Welfare could change that number dramatically. It would give families two years of welfare eligibility, while expecting them to work at the same time. The level of benefits received would determine how many hours a week adult recipients would be expected to put in. For instance, a family consisting of one adult and three children would receive \$874 in monthly benefits — but the adult would be required to work 40 hours a week.

The jobs would come from four sources:

regular jobs; partially subsidized jobs, where the state would reimburse the employer for providing on-the-job training; jobs with non-profit or government agencies doing work that otherwise would have gone undone, or placement in a fully subsidized job created specifically for program participants. Child care would be provided. At the end of two years, monthly benefit payments would end, but medical assistance, child care and perhaps food stamps could continue for up to another year if necessary.

Thompson hopes to get the necessary waivers from the federal government by the end of summer — it doesn't hurt that both Secretary of Health and Human Services Donna Shalala and government welfare expert Paul Offner have ties to Wisconsin — and put Work Not Welfare to work in two counties sometime next year.

Yes, there are still questions left unanswered and potential problems still to be solved. There is no firm estimate of start-up costs, nor a cohesive "safety net" to catch those children whose parents simply refuse to work.

But these are not insurmountable obstacles. Thompson is sincere when he vows that no one will starve under Work Not Welfare. He is equally sincere in his beliefs that able-bodied people ought to work to support themselves, and that welfare ought not to be a reward for irresponsible parenting. Those beliefs are shared by the vast majority of Wisconsin taxpayers.

Because of programs like Work Not Welfare, Wisconsin has become a national leader in welfare reform. This state has moved more people off welfare in the past five years than every other state combined — even though Wisconsin's benefits are among the most generous in the nation.



Tommy Thompson

ASHLAND DAILY PRESS
May 29, 1993

In Our Opinion

Welfare reform

Proposal limits AFDC payments

How do you motivate AFDC recipients to find work and get off welfare?

There are different theories on that. One theory says you encourage the recipient to get training so she, or he, is qualified to work. Another theory says you stimulate the economy so there are jobs out there. Gov. Tommy Thompson has a different theory. He says you stop sending the checks.

Thompson has proposed cutting off AFDC recipients after two years. Those who are able-bodied would be required to either work during that time or receive job training.

There's nothing wrong with the theory, provided that the recipient is qualified for a job or that a job is available. Certainly each individual has a responsibility to take care of his or her own needs, to earn an income and pay bills. Circumstances do occur, however, which make that difficult or impossible for some. That's why there is a safety net. That safety net exists not so much for the adult family members, but to insure that the children do not end up neglected.

Certainly there are people who take advantage of the situation. Why get a job when the state will pay your bills for you? The average length of AFDC payments per individual is six years. That tells you something.

How was it determined that two years is the maximum time allowed for benefits. Fixing an arbitrary number to benefits begs the question. Everyone's needs are different. Everyone's preparation time to enter the job market is different.

We are not arguing against a cutoff date. For those abusing the system a cutoff is the only motivation which will work. That cutoff should be based on circumstances, however, not on bureaucratic convenience. Those undergoing job training should have the opportunity to complete their training, regardless of deadline. Those making a conscientious effort to find work should be allowed to continue public service work until a job is offered. A mandatory two-year cutoff is no guarantee that everyone who wants work will find it.

Work should replace welfare

Marshfield News-Herald
May 29, 1993

WORK NOT Welfare.

That's the name of the newest welfare pilot program in Wisconsin, which was unveiled by Gov. Tommy Thompson Thursday.

Initially, if it gets the necessary waivers from the Clinton administration, it will be tested in two of Wisconsin's 72 counties. If it works, look for it to be pushed statewide — and perhaps even nationwide.

Put simply, it will require able-bodied welfare recipients to work. And, in turn, the state will pledge to provide participants with education and training, child and health care, transportation and job placement assistance.

PARTICIPANTS WILL be asked to sign a contract. After two years, cash welfare payments will end. Transitional medical and child care benefits, however, will be available to employed recipients for an additional year.

Once those benefits end, the recipients will not be eligible for Aid to Families with Dependent Children benefits in Wisconsin for three years.

Does it sound tough? Perhaps.
Is it fair? You bet.

There have to be serious attempts made to break this welfare cycle. Studies show that 65 percent of the current AFDC recipients currently spend eight or more years on welfare.

WELFARE THUS becomes a way of life, rather than a way out of poverty. There is a money handout, but no real personal help in the program as it is presently structured.

As Gov. Thompson pointed out, "Our current welfare

system discourages work and encourages long-term dependency. We need a welfare system that rewards work and prohibits long-term dependency."

Under the plan, a Community Steering Committee would be set up to coordinate local private and public employment and support for participants. In these days of a tight job market, this might be the toughest hurdle to cross.

THE PROGRAM also will build in a "safety net" for children.

This new pilot program falls atop other reforms such as Learnfare, which requires children of welfare parents to attend school. Benefits are cut for those who don't. Other programs in motion here are Children First and the Parental and Family Responsibility Initiative.

These programs have been questioned and criticized. Yet they have helped to focus on the welfare program, its failures and its costs.

We want to help those on welfare get off the dole and feel good about themselves. Sometimes all it will take is education and job training and employers who are willing to play a role.

WORK NOT WELFARE should be easy to sell. It offers hope. And, in time, this pilot program might well help reduce the AFDC caseload even more in this state.

The concept of welfare should be "a temporary hand-up, not a permanent hand-out."

Let's get this plan off paper and into motion.

Welfare proposal merits discussion

Welfare can be a lifesaver in times of need.

But it can also become an addiction and a way of life.

It's that addiction and lifestyle that a new state proposal aims to address, by requiring able bodied

welfare recipients to work in exchange for cash benefits.

The "Work Not Welfare" proposal was announced Thursday by Gov. Tommy Thompson and State Rep. John Gard. (See Page 1 story.) Individuals applying for AFDC would have to sign a contract pledging to work for benefits. Within 30 days recipients would begin work, or training for work. After one year, recipients would have to be working in a private sector job for pay, or in a public sector job in exchange for their benefits. After two years, their cash benefits would end. Child and health care benefits would continue for another year.

Welfare not only has become a great burden on society, it has become a burden on those who are trapped in its culture.

Society has an obligation to help those in need. But it also has an obligation to allow able bodied people to become productive citizens by forcing them to fend for themselves in the competitive work world.

There's a condition to that, however; there must be reasonable hope that a decent-paying job can be obtained. With the loss of thousands of manufacturing jobs (compounded by this week's announcement that Briggs & Stratton is moving more work to Mexico), the work option remaining is often a job with low pay and no benefits.

The "Work Not Welfare" proposal hopes to address the need for jobs by generating employment through a partnership between business, local communities and government. That partnership could be the critical factor in the success for failure of the proposal.

"Work Not Welfare" can become a catalyst for better lives for thousands of Wisconsin residents — but only if the efforts to promote a strong job market are as great as the efforts to cut welfare benefits.

Editorial

VIEWPOINT

Dennis J. Colling, General Manager Larry Beach, Managing Editor

Marquette Eagle-Star ■ Wednesday, June 2, 1993 ■ 4

TDW, P. 01

Thompson's plan a bold move toward true welfare reform

Three cheers to Gov. Tommy Thompson's newest and perhaps boldest shot at true welfare reform in the state.

The latest plan, dubbed "Work Not Welfare," will require able-bodied welfare recipients to work in exchange for cash benefits. In addition, recipients will not be allowed to collect cash benefits for more than two years.

The program, which came under fire from a handful of state Democrats when it was released late last week, will require individuals applying for AFDC (Aid to Families With Dependent Children) benefits to sign a contract pledging to work for benefits. Within 30 days, they would be

OUR OPINION

required to begin work or job training. After one year, recipients must be working in a private sector job for pay or in a public job in exchange for benefits.

The plan, lauded by Thompson as "revolutionary," will be tried out in two as-yet-unnamed test counties. We're not sure we would call the plan revolutionary prior to a trial period, but it will put the state at the forefront of welfare reform efforts taking place across the country.

Work Not Welfare will complement other Wisconsin welfare reform plans that

promote individual responsibility and self-sufficiency such as the Two-Tier Welfare Demonstration Project and the Parental and Family Responsibility Initiative, both of which were approved in 1992; Children First, approved in 1988; and Learnfare, approved in 1987.

The newest plan, which Thompson trumpets as a way to end welfare dependency, was criticized by Rep. Shirley I. Krug, D-Milwaukee, because, she says, it may leave some people — and their children — out on the street who can't find jobs.

Her concerns deserve attention, but the extent to which she may or may not be right won't be known until after the plan is

tried out.

On the positive side, the plan does ensure transitional benefits — child and health care — for one year after cash benefits end. And the state will work with private businesses to encourage the hiring of AFDC recipients.

Gerald Whitburn, secretary of the Department of Health and Social Services, sees Work Not Welfare as a "tremendous opportunity" to move people off welfare more quickly.

We hope his perceptions are accurate. Wisconsin needs the type of strong impetus this plan will provide if it ever wants to achieve true welfare reform.

In our view

Reform of welfare is overdue

■ 65 percent of 81,000 state families receiving AFDC will spend eight years on welfare

The political gamesmanship surrounding Gov. Tommy Thompson's latest welfare proposal unfortunately is obscuring the substance of the plan.

Thompson last week unveiled his Work Not Welfare plan to put new Aid to Families with Dependent Children recipients under a two-year program of job training and work. Its key provision would eliminate cash benefits after two years.

The ink was hardly dry on the proposal when Democrats in the Legislature accused the Republican governor of stealing their welfare reform ideas.

"What he did was take our plan after he shot holes in it when we proposed it, put his letterhead on it and called it his own," said Assembly Speaker Walter Kunicki, D-Milwaukee.

Thompson administration officials responded that the governor's proposal was an improvement over the Democratic measure. They said the Thompson plan would be less costly for taxpayers and would provide greater incentives for people to find work.

It all sounds like the typical posturing that takes place after the introduction of major legislation.

In this case, however, the partisan non-sense has to stop. And there appears to be plenty of room for lawmakers to develop a reasonable compromise.

Most politicians — Democrat and Republican — believe the welfare system needs to be overhauled. They are concerned about numbers like these: 65 percent of the 81,000 Wisconsin families receiving Aid to Families with Dependent Children will spend eight years or more on welfare.

We see no reason, aside from petty politics, why Democrats and Republicans cannot work together on a plan to end long-term dependency on welfare.

Such a plan must provide greater incentive for people to work, rather than to stay on welfare. Under the existing system, the working poor too often lack access to child care, health care and other benefits available to welfare recipients.

The plan also must be designed to provide short-term benefits, while ensuring that a safety net exists for those who cannot work or find a job.

In the meantime, government must encourage economic development and job creation, particularly in areas with high unemployment.

Thompson and the Democrats are onto some good ideas for reforming welfare that need fine-tuning. If they would leave the partisan wrangling for another day and another issue, they probably would be pretty close to getting the job done.

Clinton backs two-year AFDC limit

Says U.S. should fund state's test

By AMY RINARD
Sentinel staff writer

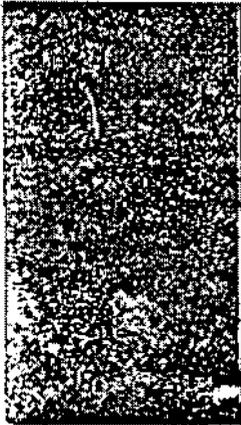
President Clinton said Tuesday he supports limiting to two years the period able-bodied welfare recipients can collect benefits — a restriction that is key to a Wisconsin welfare reform plan proposed last week by Gov. Tommy G. Thompson.

"The idea of giving people the tools they need to move off welfare, and calling a halt to it after two years, saying it has to come to an end and people who can, should go to work. I think is a good thing," Clinton said during a speech at the Auditorium.

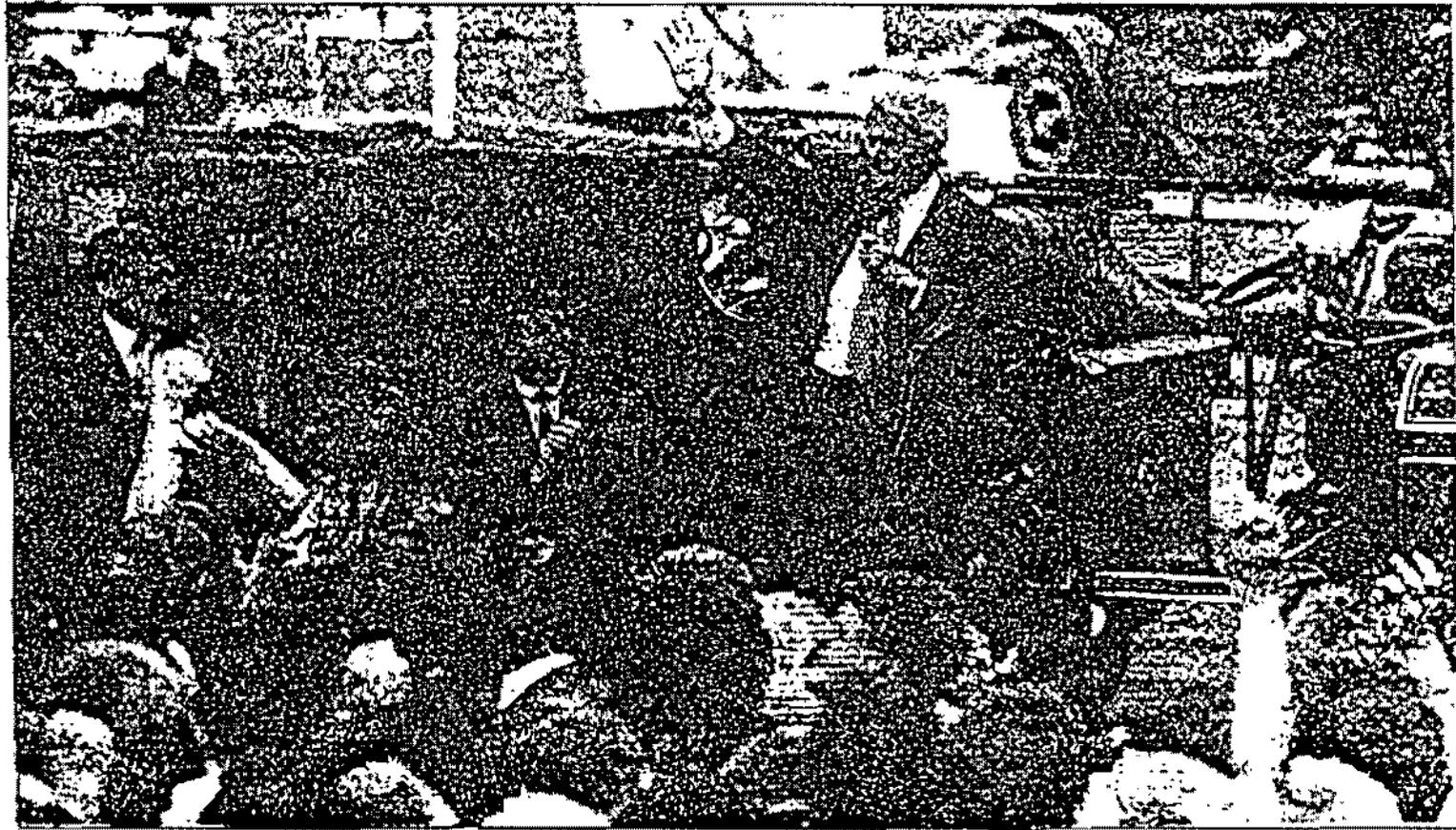
"And I think we ought to fund that experiment in Wisconsin and see if it won't work."

Clinton's comments appeared to refer to legislation by two Wisconsin congressmen, Democratic Reps. Thomas M. Barrett and Gerald D. Kleczka, to fund a Milwaukee welfare-to-work experiment known as the New Hope Project.

The New Hope Project, funded with private, city and state funds, helps participants find jobs and provides health insurance, child care and a wage supplement if necessary. Legislation that would have allocated federal funds to expand the program to as many as 600 poor families was perverted by vetoed by former President George Bush.



JEFFREY PHILIPS
Sentinel photo/illustration
In the wings, President Clinton waits Tuesday between two curtains at the Auditorium's Bruce Hall before his speech.



WILLIAM MEYER / Sentinel photo/illustration

Visiting Bay View, President Clinton waves from a fire engine after speaking to a crowd at Langer

Pharmacy and Gifts on South Howell Avenue. He made the stop Tuesday afternoon after a 45-minute

speech downtown to muster support for his economic plan

backed Thompson's welfare reform proposal during his speech.

But Thompson, who was also in Milwaukee Tuesday but did not attend the speech, seemed pleased with Clinton's comments.

"I don't agree with his economic plan, but I do agree with his welfare ideas," Thompson said at Mitchell International Airport, where he caught up with Clinton as the president was about to depart Tuesday afternoon.

Clinton did not mention Thompson or say specifically whether he

Thompson said he hopes the Clinton administration grants the waivers Wisconsin needs from federal rules to carry out the governor's plan.

"We're encouraged by Clinton's comments today," said Gerald Whitburn, secretary of the State Department of Health and Social Services.

"In many ways the two administrations — ours and his — are moving down the same road. We're talking about many of the same things. We may not be singing the same tune, but we're in the same song book."

Clinton backs AFDC limit, funds for state experiment

Welfare

From 1A

Time-limited cash benefits are a key focus of the administration's welfare reform plan. David Ellwood, assistant secretary for planning and evaluation at the Department of Health and Human Services, told The Associated Press:

"It's not just time limits but making work pay, personal responsibility and providing education and training, Ellwood said.

Clinton's plan is aimed mainly at healthy recipients of AFDC, a \$22 billion state-federal welfare program for single parents and a small number of unemployed couples.

Now, people can receive Aid to Families with Dependent Children payments until their youngest child turns 18 or finishes high school. Clinton would cut aid after two years and require recipients then to work in either a private or public job.

Candidate Clinton last year promised to "end welfare as we know it," saying recipients should be required to work after two years on the rolls. He estimated the costs of providing education, training, jobs and possibly child care at \$4 billion a year.

Thompson's plan, called "Work Not Welfare," would help people get jobs or job training. Child care and health benefits would be provided. After two years, cash benefits would be terminated.

Thompson called the plan, to be tested in two counties, a welfare "revolution" and said it

would force recipients to have a whole new attitude about welfare.

Because AFDC is a federal program, waivers from the U.S. Department of Health and Human Services will be needed.

Thompson said he was confident the Clinton administration would approve the waivers because of Clinton's support for time-limited benefits.

Ellwood told the AP other parts of Clinton's reform package would include:

■ Experiments with government-guaranteed child support payments and efforts at stricter enforcement of support settlements.

Clinton has not endorsed the suggestion that the government guarantee a child-support payment when the absent parent refuses or is unable to pay. Ellwood said that if single parents could count on child-support payments, it would be possible to work part time at the minimum wage and be better off than on welfare.

Much of child support now owed isn't collected; one-third of all cases cross state lines. Clinton has said the Internal Revenue Service may be called in to help collect payments from parents who don't pay. Ellwood said a more centralized system is needed to track child-support cases.

The Thompson administration has not endorsed the idea of guaranteed child-support payments because of the cost involved, Whitburn said.

But Thompson has proposed strengthening collection efforts, including denying vehicle license

plate renewals to fathers who are behind in their payments.

■ Work incentives such as child care, health care for all workers and an expansion in the earned income tax credit to ease people off welfare.

A plan to expand the credit and provide \$28.3 billion in tax relief over five years is part of Clinton's deficit-reduction package now pending in the Senate.

■ Expanding education and training programs.

According to Carolyn Colvin, secretary of Maryland's Department of Human Resources, many welfare recipients never finished high school and lack the skills needed to "get a job that pays a livable wage." Providing "remedial education and job training will have a tremendous fiscal cost," she said.

Whitburn said Wisconsin has an education and job-training program for welfare recipients, called JOBS, that is one of the strongest in the nation.

Sentinel staff writers Kenneth R. Lamke and Debby L. Davis and the Associated Press contributed to this story.

File:
① WR-Newsclips
② WR-Wisc

6/26

TO: BRUCE REED
FROM: MICKEY KAUS

TOP SECRET

CHEERS

M

④ pages follow

Dear Ken:

Here is the new version,, revised 6/24 to take account of the latest controversies. I'm afraid it got longer in the process. My number, in L.A., is (213) 938-1952 (phone and fax). Social Security # is 549-86-8073. Mailing Address: 480 S. Spalding Dr., Beverly Hills, CA 90212. Thanks.

Mickey Kaus

THE RIGHT THING

President Clinton's embrace of the radical Wisconsin welfare plan has been treated as something less than a Lincoln-esque act of principle. "Does he even know what's in it?" sneered the Washington Post editorial page. The right claims Clinton has cynically cast aside his beliefs to please the voters. So does the left. Some of Clinton's own welfare bureaucrats recently rebelled, telling the New York Times that they had "serious concerns" about the Wisconsin plan -- which prompted Clinton and his chief of staff to re-embrace the plan, which only heightened the appearance of a cynical sell-out.

Is it possible that the President is actually doing the right thing? I think he is. The Wisconsin plan constitutes the most serious attempt to transform the culture of welfare since Franklin Roosevelt created the WPA to replace the "narcotic" of cash aid. Modern welfare reformers have long called for a grand left-right compromise, in which the left would agree that welfare recipients should work, while the right agreed to spend the money to provide the necessary public jobs and child care. The particular compromise struck in Governor Tommy Thompson's Wisconsin Works ("W-2") proposal is not perfect, but it's as close as we're likely to get anytime soon. If federal welfare officials somehow succeed in blocking it, then Republicans will be justified in arguing that welfare needs to be moved out of Washington's control and returned to the states.

The W-2 plan is certainly tough enough. Clinton's own 1994 welfare proposal required

work after two or three years on the dole. Wisconsin's would require work from day one (excepting mothers with newborns less than 12 weeks old). The message sent to young women would be unmistakable: think twice about having the out-of-wedlock baby that would formerly have qualified you for cash aid.

But W-2 has other sensible -- and expensive -- features traditionally sought by the left. It provides subsidized child care, not just for those who now qualify for welfare but for all low-income parents who need it to work. W-2 also offers subsidized health coverage, not just for those now on welfare but, again, for all low-income families. (Does the Post know what's in the plan?) Wisconsin anticipates spending about 13 percent more, initially, under W-2 than it now spends on welfare. Child care spending would increase from about \$48 million to \$158 million.

Most important, Thompson recognizes that many welfare recipients will not immediately be welcomed into the private sector. They will need public jobs. Unlike virtually all Congressional Republicans, Thompson steps up to his responsibility to pay for those jobs. Wisconsin anticipates creating almost 30,000 community service positions, one for every two adults on welfare. Significantly, these jobs would be available to fathers as well as to single mothers. Those unable to work full-time would be given tasks commensurate with their abilities, though they would be paid a bit less.

who live with
their families

So what about those "serious concerns"? Among other things, the unnamed administration officials cited by the Times complained that Wisconsin's community service positions will pay less than the minimum wage. But even FDR, in creating the WPA, recognized that last-resort public jobs should pay a bit less than the lowest paying private sector work -- otherwise people will be tempted to quit low-wage private jobs to go on the public payroll.

Nor will Wisconsin's community service jobs pay wages that vary with family size. For small families, the jobs will pay more than welfare now pays; larger families will

2

get less than they get now. Administration officials have argued that this single pay scale violates traditional welfare principles, under which benefits vary with "need." But it accords with traditional work principles, under which you don't get a raise just because you have another child. And W-2 workers would continue to get food stamp benefits, which increase with family size.

The Post, for its part, asks: "What do you do with a child whose mother turns out to be unwilling . . . to work?" But this is the central dilemma of all work-oriented welfare reforms, since if you keep sending checks to such a family, you in effect abandon any work requirement. Wisconsin would keep providing health care, but not cash. The state plans to closely monitor the status of children whose mothers refuse work. State officials insist that, as one puts it, under W-2 "the number of child welfare cases will decline, because work is a centering activity."

There are really only two major complaints regarding W-2. First, Wisconsin intends to limit community service jobs to two years, and place an overall 5 year limit on aid. Though the plan allows for case-by-case extensions, the Clinton administration has previously insisted that states guarantee jobs or aid indefinitely to all those who have "played by the rules" -- e.g., who are looking for work but unable to find it. Wisconsin's reformers argue that, in practice, people find jobs far faster when they know they only have so many years of aid coming to them. That isn't implausible. Why not let the state find out if it's right?

But

What really disturbs many administration officials, not to mention liberal activists, is Wisconsin's statement that "an individual is not entitled to services or benefits under Wisconsin Works." The state seems to be trying to wriggle out of its promises. Actually, it's trying to wriggle out from under the Supreme Court, which (at the urging of liberal activists) has ruled that when the government creates a welfare "entitlement" it gives recipients a constitutional "property" right that can only be taken away after a fairly elaborate legal proceeding, which typically takes 30 to 90 days (not counting appeals).

3

Wisconsin, rightly, wants to be able to fire community-service workers who show up high, or who don't show up, without having to keep paying them for 90 days. It doesn't want every decision about who is and who isn't ready for which jobs to be second-guessed by the courts. Yes, it would be better if the state somehow guaranteed it would meet its obligations under W-2 (and the plan does provide for internal appeals by recipients who feel wronged). But you can't blame the Wisconsin's legislators for concluding that the only way to stop judges from imposing more "due process" than a work-based system can stand is to say explicitly "don't consider this an entitlement."

Even if the Clinton administration can't force Wisconsin to give ground on this "entitlement" issue, it should approve W-2. The proposal's popularity is hardly an argument against it. What the voters to whom Clinton is "selling out" seem to possess -- and what W-2's critics, including the Post, seem to lack -- is a sense of urgency. The concentration of welfare-dependent, single-parent families in the nation's ghettos is our most pressing social problem; the left-right deal embodied in W-2 is our best hope for a solution. We can't afford to wait for the perfect plan.

ENDIT

The writer, a contributing editor of The New Republic, is author of "The End of Equality."

(4)



REPUBLICAN GOVERNORS ASSOCIATION

Now America's Majority

MEMORANDUM TO LEANNE REDICK

FROM: KIRSTEN FEDEWA *KFF*
DATE: JUNE 17, 1996
RE: NEW YORK TIMES/MEDIA AVAIL

① WR- Repubs
② WR - Wisc.

In follow up to our conversation this morning, here's what I've found out:

Ari is working on a letter by Gingrich, Arney, Shaw and Archer for release today urging the President to sign the W-2.

The Speaker's office is working on a press conference tomorrow with the 6 Republican members of the WI delegation on the W-2.

They would like us to help drive the press on this, *either through a RGA letter to the President and/or a news conference with Engler*. Other thoughts are welcome. For instance, I am sure the RNC would appreciate it if Governor Engler could cut an actuality today on the topic. (Tel: 202/863-8550, ask for Scott.)

Archer is not in town until late today; Shaw is expected around 2:30 p.m., so there is a possibility of a late news conference with Shaw and Engler.

The RNC is putting out talking points/Haley is going to do a statement, asking what kind of "new" Democrat is Bill Clinton? Is he a new Democrat, one that will join the 60 Dems in the House who voted for W-2, or is he really an old Liberal Democrat who will fight reform?

Please let me know your thoughts on letter and/or news conference. Thanks!

cc: Margaret Dwyer

Congress of the United States
House of Representatives
Washington, DC 20515

WR-Repubs

May 19, 1996

File
① WR-Wisc
② WR-Repubs.

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

We welcome your remarks concerning the innovative welfare reforms proposed by Governor Tommy Thompson of Wisconsin. The Wisconsin proposal is very similar to the Republican welfare reform bill you vetoed last year, so we are heartened that your welfare position may have changed once again. However, because there are many differences between your current national welfare proposal and the position you seem to have taken yesterday concerning the Wisconsin proposal, there is ample ground to be confused about where you stand on national welfare reform.

We must remind you that actions speak louder than words. Nothing less than full approval of Wisconsin's waiver proposal *in its entirety* will demonstrate your lasting commitment to welfare reform. In addition, while your kind words concerning Wisconsin's proposal give the impression you support welfare reform, an analysis of your current national welfare proposal shows that what's good enough for Wisconsin is not good enough for the nation. Your national proposal runs in the opposite direction of Wisconsin's welfare reforms.

The need for welfare reform is clear. The American people are demanding it and the people on welfare must have it. We have already lost too many people to the destructive cycle of welfare where the average stay on the welfare rolls is 13 years. As a result of this cycle, far too many children are at risk, growing up in fatherless homes where they have never known a working adult.

We all agree that welfare reform must be accomplished, and while you have vetoed our two previous welfare reform proposals, we are willing to work with you once again on this important issue. Only through continuous, open dialogue can we begin to understand each other's positions and hopefully reach an agreement.

We have just completed a detailed analysis of the national welfare reform proposal contained in your 1997 budget plan, and we regret to say that we are deeply disappointed because your plan does not time limit welfare benefits nor does it require an adequate number of people to work for their welfare benefits. Your welfare reform proposal does little to encourage families to support themselves, it encourages continued welfare instead of work, and it perpetuates the misguided practice of providing welfare to non-citizens. Your bill also does nothing to stop the corrupt practice of paying welfare benefits to felons sitting in our nation's jails. Finally, your bill's continuation of inflexible federal controls guarantees that the worst features of today's failed welfare regime would continue indefinitely. We have outlined below our major concerns.

In short, your welfare proposal contains four fatal flaws.

1. Your welfare reform plan "proposes" a five-year time limit on cash welfare benefits, but it has so many exceptions few families would ever be affected. In addition, because of your mandatory voucher program, welfare will remain a lifelong habit, just as it is today.

Under your plan, few welfare recipients would ever reach the five-year time limit because your plan provides so many exemptions. Your exemption list is so exhaustive that the Congressional Budget Office has predicted that at least 25 percent of families on welfare would be considered exempt in any given month.

For those who actually do reach the five-year limit, your bill maintains the welfare entitlement and requires States to provide non-cash welfare vouchers indefinitely. Mr. President, you must realize that only by applying a real five-year time limit can we transform welfare into insurance against the worst of times, instead of the lifetime guarantee of unearned benefits.

2. Instead of requiring work for welfare benefits, your plan allows families to avoid work for years and places sham "work requirements" on States.

Your plan requires States to set up education and training programs for every work-eligible parent who is not working within one year of coming onto welfare. After two years in these programs, you say that workers must work or lose welfare benefits. The catch? This requirement does not take effect until October 2003. Mr. President, we must act now if we are to save the most needy in our society, not wait six or seven more years by creating a major loophole that allows families to collect welfare without working.

In addition, by counting families that have left welfare and are now working as still on welfare, your bill artificially inflates state progress in moving welfare families into work. Under your plan, the natural flow of families off welfare means that States magically would be more than halfway towards meeting their required rates without even lifting a finger. You further discourage States from meeting this goal by failing to punish States that don't meet targets for moving families off welfare and into work. The result? The Congressional Budget Office has determined that your bill would require only half as many welfare families to work as H.R. 4, the Congressional welfare reform bill you vetoed in January. According to CBO, 1.3 million people will be required to work by the year 2002 under the Republican welfare proposal, while only 900,000 people will be working under your bill. We are deeply troubled by your loophole-ridden, liberal work "requirements."

3. Your plan continues the current system in which noncitizens and felons collect welfare despite our country's laws and traditions.

Everyone agrees that America is and will remain the land of opportunity for immigrants, but you would be hard-pressed to find support for allowing immigrants into the U.S. to go on welfare. Unfortunately, your proposal would continue this abuse of taxpayers' and immigrants' best interests. For example, the number of noncitizens on Supplemental Security Income exploded from 127,906 in 1982 to 738,140 in 1994. While you have proposed initiatives that claim to curb such abuse, your plan only nibbles around the edges: the Congressional Budget Office estimates your proposal would prevent 89,000 noncitizens from collecting SSI benefits in 1998. In contrast, H.R. 4, the welfare reform bill you vetoed, honors the promise noncitizens made not to go on the dole, keeping more than 427,000 noncitizens from collecting SSI benefits in the same year and saving taxpayers a total of \$15 billion more than your bill.

4. Your plan maintains maximum Federal control over State welfare programs.

Even though your bill replaces Aid to Families with Dependent Children (AFDC), the nation's largest cash welfare program for poor families, with the "Temporary Employment Assistance" (TEA) program, this is largely a semantic exercise. Like AFDC, the TEA program would provide unlimited entitlement funding to States - subject to State match - to provide cash welfare benefits to needy families. Certain new restrictions would apply for individuals, but States would receive more Federal funds if more families move onto welfare, maintaining the current perverse incentive structure associated with AFDC.

Your plan fails to provide State flexibility in many other ways, too. Unlike H.R. 4, under your bill States would not have flexibility to limit benefits to fewer than five years, and States would be required to operate a highly prescriptive federal "work first" (starting in FY 2004) job training program. States would be required to develop individual responsibility plans for every new welfare family, detailing benefits the State would have to provide to assist families in preparing for work. Finally, States would have little authority to limit State and local welfare benefits for noncitizens.

Mr. President, we remain hopeful that this year will be the final year of our nation's failed welfare system. Surely, those Americans who have lived on welfare from one generation to another deserve a chance to do better and to achieve more. However, after considering some of the key features of your plan, it is evident, despite your radio address, that there is still a long way to go before your actions match your words.

We look forward to taking action on national welfare reform this year and hope to have your support.

Sincerely,

Newt Gingrich
Speaker of the House

Dick Army
House Majority Leader

Bill Archer
Chairman, House Committee on
Ways and Means

E. Clay Shaw, Jr.
Chairman, Subcommittee on
on Human Resources, House
Committee on Ways and Means

DWR-News Clipp
DWR. Wisc.

PM-WI- Welfare-Politics, 1st Ld-Writethru,560
W-2 Sponsor Says Clinton Move Could Be Bad for Dole

Eds.: INSERTS 5 grafs after 8th graf to add some details of Dole visit and comments by him. Picks up 9th graf, Dole has ... A version moved for Sunday AMs

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MADISON, Wis. (AP) President Clinton's endorsement of Wisconsin's GOP-sponsored, welfare-to-work law likely was a blow to Republican challenger Bob Dole, the law's co-sponsor says.

"It is a brilliant political move for the president to remove that as an issue for Bob Dole in Wisconsin," said Rep. John Gard, Assembly sponsor of Gov. Tommy Thompson's Wisconsin Works, or W-2, bill.

Clinton is visiting Wisconsin this week, meeting with German Chancellor Helmut Kohl Thursday, while Dole is expected to give a major policy address Tuesday in Fond du Lac.

Wisconsin Republicans just hope Clinton follows through on Saturday's words endorsing W-2 and signs federal waivers needed for the state to eliminate Aid to Families with Dependent Children, said Gard, R-Peshtigo.

The policy Clinton is embracing will benefit Republicans at the state level, he said.

"The success we have here will force him to do things for other states," Gard said. "If he blows it and doesn't let W-2 work, then we'll make political hay out of it."

Both the Republicans and Democrats are "trying to outdo one another on welfare reform," said Anne Arnesen, director of the Wisconsin Council on Children and Families.

"A lot of it is very political," Arnesen said. "One gets really worrisome that people will be caught in the crunch especially children."

Dole is expected to fly into Wittman Field at Oshkosh on Tuesday and travel to Fond du Lac for a luncheon visit.

Mike Hatch, who serves as Dole's campaign coordinator in Fond du Lac County, said he's expecting Dole to spend just two hours in Wisconsin.

"I was told to tell people the general public is invited," Hatch said. "He's going to give a talk. I'm not sure if anyone knows what subject."

Dole, in a late-night session with reporters aboard his plane Saturday, said, "We go to the states, like we go up to Wisconsin, to talk about welfare and then Clinton announces he may give Wisconsin a waiver.

"If we go to enough states we may straighten out the country."

Dole has criticized Clinton for vetoing two bills that would have transformed federal welfare programs into block grants, and given states flexibility to spend the money as they choose.

Clinton has complained that the bills passed by the GOP-controlled Congress did not go far enough to protect children. He especially lauded Wisconsin's W-2 program for its health care and child care components.

"The president wants to make sure he protects working families and their children," said Rep. Rebecca Young, D-Madison.

W-2 is designed to do away with welfare in Wisconsin by requiring able-bodied parents to work or begin job training.

The new program would replace AFDC with job placement and training services for an estimated 53,200 of the state's 65,000 welfare families by the fall of 1997, assuming the Clinton administration clears the way.

Thompson signed the bill into law last month. In Milwaukee on Saturday to speak to the graduation class of the Medical College of Wisconsin, he said he was impressed by Clinton's statements.

"Obviously, President Clinton is trying to stave off the failure of his administration," Thompson said. "He's coming to Wisconsin and he knows how popular W-2 is ... if that benefits Wisconsin, so be it."

Gard said W-2 is a "package deal," and Wisconsin Republicans won't accept Clinton's approval of just part of the program.

But others hope Clinton's comments mean he won't just give the state an unconditional thumbs-up on W-2.

``Where we're encouraged is that the president is going to be negotiating with the state regarding W-2 waivers,'' said Marcus White, program coordinator for the Interfaith Conference of Greater Milwaukee.

``His reference to children and families makes us hopeful that the negotiations will keep the best interest of children in mind.''

**** filed by:APW-(WI) on 05/20/96 at 09:00EDT ****

**** printed by:WHPR(JMAS) on 05/20/96 at 10:54EDT ****

Wisconsin Law Seeks to End Welfare

By DIRK JOHNSON

CHICAGO, April 25 — Gov. Tommy G. Thompson of Wisconsin today signed legislation that would abolish welfare payments in that state by the fall of 1997 and replace them with a system of work programs, child care and subsidies to private employers who hire the poor.

"This doesn't just end welfare as we know it," the Governor said, "it ends welfare — period."

Since it requires a Washington waiver of Federal welfare law, the new program has essentially been laid at the doorstep of the Clinton Administration, which has already allowed 37 states to experiment with welfare policy, granting more waivers than were granted during the Reagan and Bush years combined.

"Whether it works or not, this is the most revolutionary thing we've seen on welfare," said Doug Besharov, a scholar at the American Enterprise Institute. "This is starting from scratch. It's a new way of thinking."

Mr. Thompson, whose sights on the Republican Vice-Presidential nomination have scarcely been a secret, said today that "the only person standing in the way of welfare's demise is Bill Clinton."

Mr. Thompson conceded that "we're going to spend more" over all in transforming the welfare system into what would amount to an elaborate employment assistance agency,

Replacing welfare with work incentives and child-care programs.

The Governor said he believed that the state could help as many as 30 percent of the people on welfare find jobs in the private sector. Some of the remainder would work in community service jobs created by the state. Still others would work for private employers who would receive a subsidy for hiring people now on welfare.

The program would provide extensive child care benefits, transportation assistance and job training. Mr. Thompson said spending on the program, known as Wisconsin Works, would initially be \$340 million a year, an increase of about \$40 million over what is now spent for cash payments and other support.

"In the long run," he said, "it will save taxpayers money" as welfare beneficiaries leave relief rolls and become taxpayers.

Mr. Thompson has become a national figure through his hotly debated changes in welfare policy, which have included time limits on eligibility and penalties for parents whose children skip school.

Welfare rolls in Wisconsin have declined about 35 percent since Mr. Thompson took office in 1987. An enormously popular politician, he swept to a third term last fall with 67 percent of the vote.

Under the new program, people would no longer get welfare checks, and instead get paychecks. If they fall on the job, the pay stops. "What happens to you," the Governor asked a reporter, "if you don't show up for work?"

The measure means that welfare would no longer be an entitlement, or a right, to those who qualify under law.

While pieces of this measure have been implemented in other states, nothing else comes close to the comprehensiveness of the Wisconsin approach.

Some experts on poverty said it was impossible to predict how the measure would work. But many expressed concern about the effect on poor children.

"Almost everyone agrees that the existing welfare system has deep flaws, but you can make a bad system worse," said Tom Corbett, associate director of the Institute for Research on Poverty in Madison, Wis. "What is going to happen to the children of the people who fail to show up for these work programs?"

"I wish they would go slowly, deliberately and thoughtfully, on these changes," Mr. Corbett said of state officials. "But the political imperative is to rush in and make a big splash."

Nearly 13 million Americans are now on welfare, most of them children, and about three-quarters of all beneficiaries have been affected by policy changes in the last three years — changes, almost invariably, intended to restrict benefits — according to Michael Kharfen, a spokesman for Health and Human Services.

Mark Greenberg, a lawyer for the Center for Law and Social Policy, expressed concern that the program would push new mothers out of the home very soon after giving birth. "We're talking about infants as young as 12 weeks old" going to subsidized child-care facilities, he said.

Mr. Besharov, of the American Enterprise Institute, said he believed President Clinton would issue the waiver, in large part to position himself as being tougher on welfare than is Senator Robert Dole. In granting so many waivers to states to tighten welfare, he said, Mr. Clinton has already demonstrated that he is willing to break with liberals on the issue.

"Traditional Democratic Presidents would never have approved all of these" changes, he said.

During the campaign, he added, Mr. Clinton, who cast himself as a New Democrat in 1992 and vowed to "end welfare as we know it," will surely be asked during a Presidential debate whether he has satisfied his promise.

"And he's going to be able to say, rightly, 'Yes, I have ended it by granting 50-some states these waivers,'" Mr. Besharov said. "When the history is written on this, it will say that Tommy Thompson and Bill Clinton ended welfare as we know it."

① WR - News Clips
② WR - Wise

Kennedy Says Dole Is Trying To Sabotage Insurance Bill

By ADAM CLYMER

WASHINGTON, April 25 — Senator Edward M. Kennedy today accused Senator Bob Dole, the presumptive Republican Presidential nominee, of trying to "sink the bill" approved by the Senate this week that would make health insurance more accessible.

As the Senate's representatives on a conference committee to resolve differences between House and Senate versions of the insurance bill, Mr. Dole wanted to appoint a group of senators who favor Medical Savings Accounts, a provision the Senate rejected 52 to 45. The House included the accounts in the version of the bill it passed last month.

But Mr. Kennedy blocked that proposal, formally offered by Senator Trent Lott of Mississippi, Mr. Dole's deputy leader. Mr. Lott in turn blocked Mr. Kennedy's counterproposal of a group of conferees opposed to the savings accounts.

President Clinton has threatened to veto the insurance bill if it includes the savings accounts, under which people would gain tax advantages by putting money aside for the first few thousand dollars of medical expenses while buying insurance policies with high deductibles to cover other costs.

Today Mr. Clinton said in a news conference that the bill, originally intended to keep people from losing insurance when they changed jobs, should be passed "unadorned, sim-

ple, good and strong."

"Let's don't litter this up with special interest amendments" Mr. Clinton said.

Mr. Dole never spoke in the brief Senate exchange on how insurance conferees should be chosen, and later he told reporters, "I don't have to work it out with Ted Kennedy."

But he was there watching the Lott-Kennedy exchange, and when the Senate then slumped into one of its interminable quorum calls — which members use to figure out what to do next — Mr. Dole approached Mr. Kennedy. The Massachusetts Democrat later told a news conference that Mr. Dole had told him that "as a matter of fact, he is not that crazy about Medical Savings Accounts" but needed something politically.

Republicans then blocked Mr. Kennedy from making his complaints about choosing conferees opposed to the Senate position, so Mr. Kennedy went to the press gallery and told reporters, "We're not going to let this bill be hijacked." He called Medical Savings Accounts "a poison pill" for the legislation.

Senate Democrats have also threatened to try to bring up the bill again if no House-Senate agreement is reached in two more weeks, citing Tuesday's 100 to 0 vote to adopt it as a reason for insistence. But considering their difficulties in trying to bring the minimum wage legislation to a Senate vote, that may not be easy to do.

WR - wise

We must continue our fight to keep our streets safe. We are putting 100,000 new police on the street...taking guns out of the hands of criminals...imposing tougher sentences...steering our young people away from gangs and drugs. Our strategy is beginning to work across the country. We will not rest until news of a crime again shocks us as something unusual -- and not ordinary.

We must -- in this new economy -- give every American child the advantage of a good education. That's why we have expanded Head Start for preschoolers, student loans and college scholarships for deserving students. It's why we should give every family a deduction of up to \$10,000 to pay for college.

We must also continue our effort to end welfare as we know it. Working with states across our country, our Administration has already changed the rules for 75% of the people on welfare. Wisconsin wants to reform welfare on its own, without waiting for Congress to act. Wisconsin says to welfare recipients: No work, no welfare. If you work, we will help you with health and child care. You sent the plan to me for approval. And this past weekend, here is what I said: This is a good plan, a bold plan, and I will do everything I can to make it happen.

America is equal to the challenges before us. ~~But~~ like the immigrants who settled this city, this state and this country we cannot expect it to be easy. But with strong allies like Chancellor Kohl and Germany, we can advance the cause of freedom and democracy in the world. And with hard

35% of JOBS

States have to put forward a plan to ~~show~~ ^{ensure} people will get work in 2 yrs.
Has to be part of employability plan. Enforced regs against state.

- No indiv. sanction

Non-JOBS - urge states to require everybody to have PR plans.
July 8, 1996

- urge states to close loopholes - under 3 vs under 1

DRAFT

WR-WISC

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed
Ken Apfel

SUBJECT: Major Issues -- Wisconsin Waiver

Here is a brief summary of issues the White House needs to resolve in the next few days so that the President can announce the Wisconsin waiver ~~at the NGA meeting July 16~~ next week.

I. Overview

On May 29, Gov. Thompson delivered a 400-page request for specific waivers of 69 AFDC, 18 Medicaid, and 5 Food Stamp provisions. HHS sees no problem with at least 54 of the 69 welfare provisions and 7 of the 18 Medicaid provisions. USDA has more limited waiver authority (it cannot allow changes that would make any families worse off), but ___ of ___ have been worked out.

The earliest the waiver can be approved without legal challenge is July 11, which marks the end of 30-day period for public comment. Dole stopped in Wisconsin last week to attack the Administration for not getting the waiver done yet. Last month, the House overwhelmingly passed a bill to deem the entire Wisconsin waiver approved, but the Senate is less likely to move that legislation -- unless we stir it up again by turning down too much.

II. Major Policy Issues

There are two schools of thought on how to approach the major remaining policy and legal issues in the Wisconsin plan. One approach, advocated by HHS, is to treat Wisconsin as another waiver request, and try to hold the line on a handful of issues -- time limits, residency requirements, etc. -- that HHS has denied states in the past. The other approach would be to treat Wisconsin as the political equivalent of another welfare reform bill, and judge its elements based on what we are willing to accept or reject in national legislation from Congress. The first approach would deny Wisconsin some provisions even though states could do them under the Breaux-Chafee welfare bill we support. The second approach would take the same position on Wisconsin that we have staked out in the national debate: yes to a work-based welfare block grant, no to a Medicaid block grant.

1. Medicaid: On Medicaid, the state will get very little of what it asked for. Although the health plan was designed to expand coverage up to 165% of poverty by placing welfare recipients in managed care, we will have to reject the basic framework, which is a block grant that ends the Medicaid guarantee. HCFA is also firmly opposed to allowing premiums of \$20 a month and forcing recipients to accept insurance from their employer if it is available. However, we can grant a pending Medicaid 1915(b) waiver that will place welfare recipients in managed care and use the savings to expand coverage, and pledge to keep working with the state to approve as much of the W-2 waiver as we can while preserving the guarantee. As always, budget neutrality will be a problem. The Medicaid provisions are the primary reason we need to keep Congress from passing legislation to deem the waiver approved, because such a bill would be their current reconciliation package in miniature -- generally acceptable welfare reform linked to unacceptable Medicaid.

2. Time Limits: The Wisconsin plan includes a 5-year lifetime limit, like our bill and all the major congressional plans. The issue for the waiver is whether to impose terms on who should get extensions to the time limit. Wisconsin wants to leave that decision to the discretion of the caseworker. In other states, HHS has always forced states to accept mandatory extensions for anyone who reaches the time limit and can't find a job. The one exception is the two-county waiver we granted Wisconsin in 1993, which essentially left that decision to the state.

We have two realistic options: 1) allow the state to implement the exact terms statewide that we granted in 1993; or 2) let the state develop its own terms. Under the first option, Thompson could only complain a little, since he has bragged in the past that his two-county waiver was the toughest in the country. Under the second option, the state could do what it will be able to do anyway if welfare reform becomes law. As a practical matter, Wisconsin will probably implement the same rules whichever option we choose. (Mary Jo Bane favors a third option, to "clarify" the 1993 terms along the lines of what HHS has demanded from other states -- but others at HHS consider this a non-starter, since it would enrage Thompson without enabling us to say he had agreed to the same terms once before.)

3. Entitlement: The toughest issue in the entire waiver is how best to make sure that recipients get jobs and child care, without handing Thompson the chance to claim we vetoed his waiver by demanding an individual entitlement, which has not been our bottom line in the congressional debate. The intent of the Wisconsin plan is to provide enough work and child care to go around, and to use some savings from caseload reduction toward that purpose, but like Breaux-Chafee and other congressional reform bills, there is no explicit guarantee.

The legislature enacted a specific non-entitlement provision, for two reasons: 1) the major national welfare reform bills end the entitlement; and 2) the state wanted to avoid the due-process constraints of *Goldberg v. Kelly*, a 197_ Supreme Court case which requires states to grant a recipient notice and an evidentiary hearing (including the opportunity to submit evidence, cross-examine opposing witnesses, and retain a lawyer) before terminating any benefits. Wisconsin is willing to provide "reasonable notice and opportunity for a

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER
INFORMATION.

review," but argues that requiring a hearing before terminating benefits would make it easier for recipients to get around work requirements, and would keep the system still looking like a welfare program instead of the real world of work.

There is no having it both ways on this question: any outright guarantee will maintain the individual entitlement, even if we call it an assurance or something else. HHS would like to do just that, and impose due process procedures that go further than the state proposed. That would have the advantage of protecting recipients if the state runs out of money. On the other hand, it might prompt Thompson to reject the terms of the waiver, claim that we had vetoed welfare reform a third time in order to preserve the current system, and lobby Congress to pass a full Wisconsin waiver.

Another approach would be to require the state to "make best efforts to ensure that those eligible receive services and benefits." Holding Wisconsin to a "best efforts" standard would make it easier for courts and the Administration to review the waiver if Wisconsin fails to provide jobs, but it could not be interpreted as an individual entitlement. Recipients would get the notice and review proposed by the state, but they could not go to court every time they were sanctioned.

[REDACTED]

III. Legal Issues

On two of labor's main concerns (worker displacement and the minimum wage), we lack the legal authority to grant exactly what the state wanted. The provision that requires welfare participants to be placed in new (not existing) job vacancies is in a section of the Social Security Act that cannot be waived under current law. But every major welfare bill would remove that provision, so Wisconsin will be free to do what it wants once welfare reform becomes law. On the minimum wage, we can essentially grant the state's request to pay participants the minimum wage for 30 hours a week of work but not additional hours of education and training. But the state will have to reduce hours or raise benefits once an increase in the minimum wage goes into effect.

[REDACTED]

[REDACTED]



WR-Wisc

LEGAL AID SOCIETY OF MILWAUKEE, INC.

229 East Wisconsin Avenue, Suite 200
Milwaukee, Wisconsin 53202-4231

(In the historic Railway Exchange Building, southwest corner of Wisconsin & Broadway)
Telephone: (414) 765-0600
Fax: (414) 291-5488

July 9, 1996

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

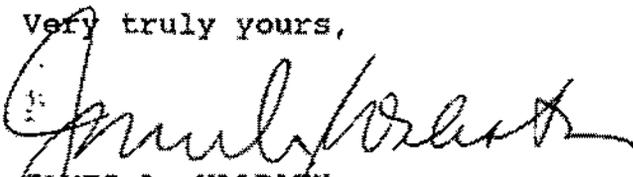
Re: Pending W-2 (Wisconsin Works) Welfare Reform Proposal

Dear President Clinton:

Given your substantial role as an advocate for children's rights, we are requesting that you review the enclosed materials relating to the pending request from the State of Wisconsin for waivers under the Social Security Act to implement the W-2 (Wisconsin Works) program. Based on our analysis, we conclude that granting of the waivers and implementation of the program would seriously threaten the health, safety and welfare of poor children in the State of Wisconsin.

Your evaluation and comment on this proposed program from a children's rights perspective would be very helpful.

Very truly yours,



JAMES A. WALRATH
Executive Director

JAW/ps

Enclosures

cc: Mr. Bruce Reed, Policy Planning Assistant
Mr. Rahim Emanuel, Special Projects Assistant



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Telephone: (414) 765-0600
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July 9, 1996

The Honorable Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Re: Pending W-2 (Wisconsin Works) Welfare Reform Proposal

Dear Mrs. Clinton:

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JAMES A. WALRATH
Executive Director

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Enclosures

cc: Mr. Bruce Reed, Policy Planning Assistant
Mr. Rahim Emanuel, Special Projects Assistant



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July 5, 1996

Howard Rolston
Administration for Children and Families
370 L'Enfant Promenade, S.W.
Aerospace Building, 7th Floor West
Washington, D.C. 20447

Re: Wisconsin's Section 1115 of the Social Security Act
and Food Stamp Act of 1977 Waiver Requests for
"Wisconsin Works" (W-2) demonstration project

Dear Mr. Rolston:

This letter constitutes comments on Wisconsin's proposed demonstration project entitled "Wisconsin Works" (W-2), published in the Federal Register on June 10, 1996. On behalf of low income families, especially the more than 6,000 children in Milwaukee County's child protective services system who are represented by the Legal Aid Society of Milwaukee, we urge the Secretary to disapprove the waivers requested.

INTRODUCTION

As court appointed *guardians ad litem* for children in abuse and neglect proceedings, in custody cases and in paternity proceedings, 14 of our staff attorneys and 8 social workers represent thousands of children in great need. We write this letter to express our unequivocal opposition to federal approval of Wisconsin's request for waivers under W-2. We oppose the waivers because even when families are able to follow W-2's most onerous requirements, there is no commitment by Wisconsin that families and children are entitled to any benefits. Further, for most low income families, W-2 will deepen the poverty of the children we represent. Many children will be dropped from health care plans because of their parents' inability to afford co-payments, deductibles or insurance premiums. Onerous requirements will reduce the supply of "Kinship Care" families to look after low income children. The children of disabled parents will face serious income cuts. Older disabled children will have no child care. Family income, health

care and food stamps will be cut off because of a parent's inability to cooperate with child support requirements or because of discrimination or other factors which constitute "good cause." However, contrary to basic American legal principles of equal justice, due process and general fairness, families will not be able to appeal because there is no fair hearing right.

These are not waivers that seek to initiate innovative experiments to improve the quality of services for needy families. Indeed, they are not even close to the normal waiver requests of other states to operate "work for aid" programs; those programs have kept key federal protections and safeguards in place. On the contrary, these waiver requests are draconian. They are a perversion of the waiver process by their sweeping "one state" redrafting of federal legislation. Up to now, no state has received a waiver to end completely entitlements to financial aid, to child care and to Medicaid when workers are in compliance with the rules. Up to now, no state has received a waiver that sets arbitrary time lines which terminate families' eligibility when they are in compliance, but are unable to find a job. Up to now, no state has received waivers to implement a payment structure in which families where a parent or family member is ill or incapacitated receives less aid than families without incapacitated members. Up to now, no state has received waivers to eliminate fair hearings. Wisconsin should not be the first state to receive such waivers because they will cause the greatest harm to the thousands of children Legal Aid represents.

SPECIFIC OBJECTIONS

I. NO ENTITLEMENT--there is no entitlement to any benefits under the W-2 legislation.

A. W-2 provisions

There is no entitlement to work related benefits, child care assistance or health care in the W-2 legislation for any W-2 participant even if s/he follows all of the rules.

B. Problems

If insufficient funds are appropriated to cover W-2 costs, families who otherwise qualify for work related benefits, health care, or child care assistance and who are following all of the program's many rules, will not have access to benefits because Wisconsin's legislative appropriations will run out. Indeed, some of the budget appropriation estimates in the waiver request have been criticized as very low. Thus the danger that appropriations will be insufficient is a real one.

Thus, even if Wisconsin initially plans to offer work slots, child care and health care to all eligible families, the waiver request gives the State the choice to break that promise any time. If there is an economic downturn, an unanticipated increase in applicants, a decrease of available jobs, or a simple change of political will, the State has no responsibility to provide anything

despite the need and willingness of families to participate. This scenario is not simply a remote possibility in Wisconsin. *When confronted with a court order to provide a "general relief" housing allowance to welfare recipients statewide, the Wisconsin legislature precipitously eliminated all "general relief" rather than appropriate more funds.* Thus, although families in need have many responsibilities under W-2, the State has none. In the American democracy where government's only role is to provide for the health and welfare of the people, state government, here, abdicates its very purpose.

II. FAIR HEARINGS—W-2 requires no fair hearings on anything; a paper review is provided only for questions of financial eligibility for job related benefits.

A. W-2 provisions

Under W-2, no review is provided at all for health care or child care decisions. The state agency may conduct a paper review of the agency's job placement denial but only when the applicant disputes financial ineligibility. There is no provision for a fair hearing process for any W-2 decisions based on worker discretion; there is no continuation of benefits pending review; there is no restoration of lost benefits if the decision is overturned.

B. Problems

No fair hearing provision exists for myriad decisions left to the discretion of W-2 agency staff. Incorrect decisions will result from lack of training on the vast new set of rules and regulations, from lack of the latest informational exchanges within the W-2 agency, or from simple abuses of discretion, to name a few. For example, well intentioned and hard working financial aid workers in other Wisconsin programs, such as those now enforcing "Pay for Performance" rules, say that they have no idea what they are doing. And yet, with W-2, there will not be a hearing process--even to correct honest errors--despite the potential for sanctions far more severe than any previously enforced under AFDC or Title 19 programs.

Many sanctions will depend on the W-2 agency staff worker's interpretation of "good cause." But some Wisconsin financial aid workers, in other contexts, have had great difficulty making "good cause" determinations. For example, under present law, there are exceptions for "good cause" when the participant does not cooperate with the welfare agency in seeking paternity determinations, e.g., for incest, rape, domestic abuse. Decisions thus far reflect a total inability at the caseworker level to make that "good cause" determination on a fair or consistent basis. Despite this history, a W-2 participant will have no redress if "good cause" or other discretionary decisions are made arbitrarily by the W-2 agency.

The absence of a fair hearing process is administratively non-sensical because individual and systemic problems can be quickly identified and corrected with a good hearing system. More importantly, the failure to provide for fair hearings is an outright denial of the equal

protection and due process rights of working participants under this new scheme. Participants will be treated differently depending on the knowledge, training, skills and individual judgment of the W-2 staff who handle their cases.

If the State contracts with private entities to carry out parts of W-2, there is an even greater need to protect families. There may be financial incentives to minimize the number of work positions created. Yet private entities will be dispensing government benefits without the benefit of review. No state has been given a waiver to dispense with such basic protections. Wisconsin should not be the first.

III. SANCTIONS—Severe sanctions punish not only the participants whose behavior W-2 seeks to change, but also cut off critical health and financial benefits to innocent children.

A. W-2 Provisions

1. If a custodial parent does not “cooperate” with efforts to establish child support or paternity, the entire family loses all grants for supported work, child care supplements and health care benefits. The third time noncooperation occurs, the *whole family unit will be ineligible for at least 6 months* for supported employment positions, for health care and for child care.

2. For “unsubsidized” workers who fail to pay health premiums, health care coverage is lost for the *whole family* for that month. Women under the “Health Care for Pregnant Women and Children Under 12” program must also pay their own premiums; if they are unable to do so, health care benefits will be cut off for their children.

3. In community service job (CSJ) or transition job (T-2) components, workers will take hourly deductions in pay for not attending required training or work. In addition, each component carries a three-strikes sanction, resulting in a prohibition from future participation in that component. A refusal to participate can be failure to appear for an interview or placement, leaving a placement, being discharged for cause, or “demonstrating through any other behavior or action that the person refuses to participate.”

4. Intentional program violations result in *permanent ineligibility* for any W-2 employment provisions. A waiver is sought because under federal law, sanctions can be imposed only against the violating adult, not the family, and only for the participating program, not all programs.

B. Problems

Because parents will undoubtedly face income problems which do not enable them to pay a premium in a given month, children will be uninsured. Not only does this visit the “sins” of

the parents upon innocent and sick children, but also it categorizes as "sin," mere inability to pay. Further, it fails to accommodate "emergencies" that may beset families.

While there may be some wilful violations of W-2 rules, many participants may miss interviews, come late to work or miss a day of work because of sick children, experience inadequate transportation to work, attend to sick family members or children who must meet other W-2 requirements such as Learnfare. If these events occur more than twice, families may be denied critical benefits and the opportunity to work their way off of welfare. Even if a W-2 participant argues, for example, that s/he had "good cause" for inability to secure adequate day care, if the W-2 agency disagrees, there is no appeal.

T-2 workers may violate program requirements unwittingly because of their disability. If they can no longer participate in T-2, will they be eligible for CSJ? If they could not manage the lower hour requirements of T-2, how will they manage those of CSJ? What happens with the children when the worker is cut off from all benefits for inability to "cooperate"?

There are valid reasons why individuals cannot cooperate with child support enforcement requirements. While W-2 permits "good cause" exceptions, there is no hearing process to challenge an arbitrary denial of participant cooperation. The consequences (6 months without assistance) are grave for children.

IV. CHILDREN WITH DISABILITIES--inadequate child care provisions and limited health care coverage will be available for children with disabilities.

A. W-2 Provision

W-2 limits child care to children ages 12 and under. By contrast, federal law now requires that child care be provided for all children who are physically or mentally unable to care for themselves and also for children under court supervision.

There is no provision for W-2 participants in unassisted jobs to protect children with disabilities through adequate health care coverage, unless the parent qualifies for the "Health Care for Pregnant Women and Children Under 12" program. Many employer-subsidized insurance plans do not cover the medical needs of children with disabilities. Further, for workers whose employers pay 50% of the premiums or for workers on those jobs after 12 months, workers must pay their share of the premiums and deductibles in order to be covered by insurance at all.

B. Problems

1. Because child care for disabled children could be much more expensive than that for children without disabilities, parents of a child with a serious medical condition or a disability

should be able to stay at home to care for the child.

2. Families with older children who have disabilities should be permitted to remain in the W-2 health plan if the employer-subsidized plan does not meet the medical treatment and medical care needs of the child.

V. COUNTING SPECIALIZED ASSISTANCE AS INCOME--fewer children will be eligible for health care and child care.

A. W-2 Provision

Wisconsin seeks waivers in order to "count" specialized assistance as income, such as federal housing subsidies, low income energy assistance, disaster relief, food stamps, school lunch, relocation and rehabilitation act assistance when determining program eligibility. Additionally foster care, SSI, Job Training Partnership Act (JTPA), child support and income of stepparents and minor parents are counted. We understand that the Clinton administration has opposed counting food stamps and school lunch as income to make families ineligible for benefits in other cases.

B. Problems

Including these items as "income" is likely to make a serious difference from present law in calculating eligibility for health care and child care copays. (Housing subsidies alone may total \$500-600, thus reducing income by these amounts). All of these programs offer specialized assistance for a reason: certain needs are not met by the Social Security Act. W-2 again seeks to fold other federal aid provisions into its AFDC/T19 waiver request in order to, in effect, have one state redesign the public policy of the nation on many programs affecting the poor.

The new income computation rules will disqualify health care coverage. This coverage has already been reduced by the W-2 plan from current federal standards. For example, children under 5 whose family incomes are lower than 185% of poverty are now covered. Under W-2, income eligibility will be reduced for children under 5 to families with income lower than 165% of poverty. When the other subsidies listed above are counted as income, families with incomes lower than 165% will be excluded from health care coverage.

VI. KINSHIP CARE--some families face reduced income; extensive and unnecessary probes will reduce the supply of families available to care for needy children.

A. W-2 provisions

In some cases under current law, a child's grandparent can seek AFDC if s/he is caring for a grandchild. Under W-2, s/he is not eligible for benefits or for job assistance. The child will receive \$215, which is less than the current AFDC grant for one child (\$248).

W-2 requires extensive checks into criminal records not only of non-legally responsible, relative caretakers, but also of any other adult in the house and of any employee of the caretaker. These include FBI investigations of persons who were not in Wisconsin for any period during the last 5 years. One of the internal memos describing this requirement indicates that all arrests are to be considered. In addition to being vocational experts, AODA counselors, child care and medical care program specialists, W-2 thus expects FEP workers also to be detectives.

B. Problems

For "Kinship Care" families with 2 or less children, grandparents, or other non-legally responsible relatives will be paid less than under current AFDC. An analysis of this provision shows that 2073 "Kinship Care" families will be affected by a reduction in income under W-2.

As for the extensive checks into arrests for persons not even taking care of the child, the limited supply of "Kinship Care" families both related to and capable of caring for needy children will diminish under this onerous burden. So many placements will be lost that more children will be brought into the already overburdened foster care system. Under present law, these nonlegally responsible relatives are providing loving homes for children whose parents are not capable of doing so.

Indeed, the structure of W-2 will create the need for more "Kinship Care" as more and more parents lose their family's W-2 eligibility and children are deprived of shelter, food or resources required for their care. Yet W-2 provisions assures that there will be less families.

Before W-2, Wisconsin had a double safety net with which the State promised to protect its children. On the one hand, AFDC and Title 19 kept children out of the most desperate poverty by providing for their basic needs. On the other hand, the child protection system provided that in the event a child was abused or neglected due to causes other than poverty alone, these children would be protected through the courts. Now, W-2 will remove the first safety net by removing the entitlement to a basic income for shelter, food and basic needs. But, under state law, the second safety net is not available to protect hungry or homeless children who are neglected due only to their poverty. *See Wis. Stats. 48.13 (10)(m)* (court has jurisdiction over children whose parents are "unable for reasons other than poverty to provide necessary care, food, clothing, medical or dental care or shelter so as to seriously endanger the physical health of the child..."). Technically, children's court has no jurisdiction over children in need for reasons of poverty alone. W-2 now abandons the State's responsibility to shelter and provide food to these children. And under state law, the courts may not protect them either. Thus, W-2 leaves the State's most vulnerable children without any protection at all.

VII. THE CHILDREN OF WORKING FAMILIES WILL BE POORER—many W-2 provisions deepen poverty for families even though participants follow all the rules.

The lure of W-2 is that aid will be provided in return for work, and that the State will subsidize child care, health care to enable the poor to obtain decent jobs. But the State makes no such promise under W-2. In fact Wisconsin makes no commitment to provide any job, child care or health care to any family in need in the State. Most families unable to obtain unsubsidized work will not be placed in jobs at all. Instead they will be placed in work slots, will be paid a grant that for many families is lower than present AFDC, and will become poorer than they are under current law. There is no promise of a job after workers are “trained” under these lower than AFDC grants. There are few work benefits for those receiving grants (no vacation pay, sick leave, family leave, unemployment compensation, earned income tax credit) even though these are the workers most in need of such benefits.

A. W-2 Provisions

1. Grants for community service jobs (CSJ) and transitional jobs (T-2) are flat “grants” and are not based on family size. As a consequence, participating workers with families of 4 or more will receive less than on current AFDC.

2. Child care and health care co-pays cause families of 3 or more to receive less support than on current AFDC.

3. Under W-2, families with low earnings no longer qualify for AFDC supplements, and must pay new copayments for child care and health care. There is no promise to offer these families full time work. Their income will be reduced by W-2.

4. Children with a disabled parent on SSI will be poorer under W-2 because they can now receive no more than the W-2 flat grant of \$77 per child.

B. Problems

1. *All families with 4 or more persons will be poorer in the W-2 program than under the present AFDC program, if they are slotted to receive CSJ or T-2 grants. AFDC currently provides \$617 for a family of 4; W-2 grants, regardless of family size, are \$555 for CSJ and \$518 for T-2. As a result of the flat “grants” for CSJ and T-2, all families with 4 or more members (including 2 parents and 2 children) and no other income, will be poorer under W-2, even though the W-2 participant works every mandatory hour and complies with every rule. This “slotting” of families into less than minimum wage jobs will not “lift” them out of poverty, but, rather institutionalize their status. That status is only institutionalized, of course, until their right to participate in that job component (2 years) or in any W-2 program (5 years) expires and children are left destitute.*

2. Depending on child care needs, families of 3 may receive less than they would under current AFDC eligibility. All families must pay at least \$20 (W-2 health care) and at least (\$26 provisional child care for one child; \$62 for licensed center care for one child; \$80 for two). If one child is in a licensed child care center, a family of 3 in Milwaukee with CSJ has disposable income of \$473 (falling below current AFDC grant of \$517). If a T-2 worker has 2 children in licensed care, the family's income is \$100 less than it was on AFDC. Child care and co-pay provisions will also lead to families choosing the low cost, least safe, unlicensed child care.

3. Many low-income families in which a parent is now working and receiving an AFDC supplement may be made poorer under W-2 because under current law a parent with low earnings may qualify for AFDC as an income supplement, (e.g., parent with 2 children, earning \$600 month--33 hours at minimum wage, qualifies for \$197 for first 4 months on job and \$37 per month thereafter). Such provisions attempt to support a person to be lifted from poverty unlike W-2 provisions which will reduce the income of these working families and their children.

4. Families, headed by disabled persons on SSI will suffer serious income cuts if the W-2 waivers are granted. In Milwaukee, over 7,000 children would face an average family monthly income loss of \$228 under this provision. Some of these children are the children of Legal Aid clients who are HIV positive. Their families face income reductions as high as 28%.

VIII. W-2 TRANSITION JOBS (T-2)—W-2 pays the lowest benefits to families in which a member is ill or incapacitated; untrained agency workers will make disability determinations.

A. W-2 Provision

Workers in T-2 positions receive \$518, *no matter how many children they have*. Families in these placements include those in which a parent or family member is incapacitated or otherwise unable to work in a trial job or CSJ.

Eligibility is determined by a "financial and employment planner" (FEP) who must decide whether that a person has significant barriers to employment, that s/he has AODA or mental health issues serious enough to impede participation even in CSJ, and/or that s/he is ill or incapacitated (at least 60 days) and thus qualifies for a T-2 slot.

B. Problems

While other states have made plans to cut aid to families with employable members, no state has chosen to provide the very lowest amount of benefits to families with incapacitated members. Even though the W-2 enrollee must participate up to 40 hours in specified activities, the family will still receive less than any other work slot under W-2.

No special qualifications are listed in the waiver application which require training of generalist FEPs adequately to assess mental health or disability issues. These assessments require specialized training. Whole careers are dedicated to any one of these assessment functions. It is not only unfair but also unrealistic to expect that FEP workers, inundated with high caseloads, would be able to assess, much less master the means of determining one's vocational aptitudes or medical limitations. The potential for misidentifying health issues or for missing them altogether are great. Further, there is no appeal process by which to correct these discretionary and potentially incorrect assessments.

The consequences for any participant could be severe but for some of Legal Aid's clients who are HIV positive, they can be worse. For example, if W-2 participants who are HIV positive parents and in the judgment of an FEP worker, do not qualify as disabled enough to be in the CSJ or T-2 programs (where health insurance is mandatory), they will be required to find jobs. If they lose their jobs due to illness, discrimination because of HIV status or any number of other "good cause" reasons and are unable to persuade their W-2 agency of this, they may lose insurance. Without it, they will be unable to pay for expensive medications. Without regular medications, they will get seriously ill and face possible death. Even if they get "bumped down" to a T-2 worker slot (and are insured during that time), they must still face the 2 year maximum job component limit and the 5 year total W-2 limit.

IX. HEALTH--No W-2 health care will be available for many participants with unsubsidized jobs; many children will receive no health care benefits under W-2.

A. W-2 provisions

For workers in W-2's "unsubsidized jobs" category, now covered by employer health plans, where the employer pays more than 50% of premium, the family is ineligible for W-2 health care. The worker must pay the remaining 50% of the premium and whatever co-pays and deductibles are included in the policy. The premium could be at least \$225 a month for a single worker (net is \$680 month for minimum wage job).

If an employer offers health insurance to a worker in W-2's "unsubsidized jobs" category, and the employer's benefit package pays less than 50% of the health insurance premium, the worker may remain on the W-2 health plan for 12 months only. After 12 months, the worker and his/her family are ineligible for W-2 health care. At that time the worker must pay the premium to have health insurance, even if the employer pays nothing. Premiums could be higher than \$450 per month for families. (Employers can pay 30% of premiums; even at 50%, families would have to absorb \$225 in premiums alone).

Additionally, less children are eligible for health care under W-2's "Health Care for Pregnant and Children Under 12" program than under Medicaid. Income eligibility is reduced

for children under age 6 because Wisconsin Title 19 covers all children through 5 years old whose family incomes are under 185% of poverty. W-2 proposes to reduce coverage to families with incomes less than 165% of poverty level. Children ages 6 through 12 are covered only if their family's income is 100% of poverty level or less.

B. Problems

Families living hand to mouth cannot afford to pay insurance premiums, deductibles and co-pays in jobs which provide just over minimum wage. If the family cannot afford health care insurance, the worker may not purchase it and many of the State's most vulnerable children will become uninsured. In 1993, Medicaid provided the primary financial coverage for 38.3% of all live births in Wisconsin--or 25,982 births. Study after study has shown that the nation's poorest children are the least healthy. Indeed, their health status rivals that of children in Third World countries. Additionally, many health issues affecting these children are caused by conditions arising directly from their poverty (lead poisoning from chipped paint in old housing; asthma exacerbated by roaches; injuries from drive by shootings, etc.) This increase in the number of uninsured children and families will occur at a time when the Clinton Administration has sought to guarantee expansion of health coverage to all of the nation's families. The nation's goal should be to move all people away from such unstable situations rather than trap the most vulnerable populace in a system that repeats a regrettable reality--poor health, spiraling health conditions and untreated diseases.

Even though some pregnant women and children will qualify for W-2 health care under another of W-2's health programs, many women and children will not (including women with children over 12 years old and women with more than 100% FPR whose children are over 6 years old). There is no longer an extensive public health nursing system in Milwaukee. The community health care centers are already seriously overburdened. There simply is no safety net to protect the children in these families. *Finally, there is a legitimate fear that families dealing in a system which cuts off aid at every turn will feel hopeless and will not seek out health care help at all (such as free vaccinations) even when it does exist.*

X. TEEN PARENTS--will be ineligible for benefits; they must live with parents.

A. W-2 provision

Eligibility of teen parents and their children under W-2 for any benefits is at risk. Teen parents are excluded from the ability to obtain work benefits and are eligible for other benefits only if the unit in which they live is eligible . . .

Additionally, teen parents must live with a parent or in supervised settings and must finish school.

B. Problems

No waiver request from any other state has ever been granted which excluded a class of parents, in this case minor parents, from coverage for benefits. Even W-2 recognizes that different adult circumstances call for different responses and not a one size fits all response. Yet teen parents are treated as a class because society wants to teach them a lesson. Teen parents present significant and serious issues. However, these issues--low birth weight babies, interruption of education, lack of parenting skills, are not resolved by treating their situations with a singular response.

There has been a dramatic increase of low birth weight children in Wisconsin. Many of these children are babies of minor mothers. Under W-2, minor mothers will now be forced to be part of their parents' household. If the head of the household is a W-2 participant in an unassisted job and is covered by an inadequate insurance plan, the minor mother and the premature or low birth weight baby will be less protected than they would be under present AFDC which makes both eligible for Title 19. If the parent of the teen mother is 165% of poverty or exceeds W-2 asset limitations, there is no eligibility for W-2 benefits for the household, including the minor mother and the baby. If the grandparent is working, some health insurance programs may not cover grandchildren, which would leave the infant uncovered. Again, W-2 here serves to cut off needed health care coverage for low income children.

Regarding the separate issue of the requirement that teen parents live with their parents, there are many reasons why teen parents should not live in their parents' homes, e.g., incest, abuse. Again, exceptions exist under the W-2 plan, but there is no appeal process to assure exceptions will be fairly applied.

XI. WORK BENEFITS--will not be available to all participants in the W-2 system and W-2 provisions defeat the natural incentive to obtain higher paying jobs.

A. W-2 provision

The earned income tax credit and homestead credit is not available to workers with CSJ or T-2 jobs. Because the State treats these as grants and not "jobs," there is no unemployment compensation, no prohibition against employment discrimination, no vacation, sick or family leave.

W-2 increases child care and health care co-pays with increases in income and the co-pays remain too high.

B. Problems

If a family of 3 was paid a wage of \$555, instead of a CSJ "grant," the family would have

gross earnings of \$6,660 per year and qualify for earned income tax credit of \$2,664. But because Wisconsin calls these jobs "grants," the family is left with income far below the poverty line for a family of three (\$12,980). Because these are not "jobs," these families also have no vacation or sick leave, no unemployment compensation and no statutory protection against employment discrimination. Indeed, if they face discrimination, but the W-2 agency does not believe them, there is no appeal.

Differences in tax benefits and child care co-pays, strongly disfavor families with small children who need child care. The differences mean that a worker has no incentive to obtain a higher paying job. Taken together, the child care (increasing co-pays), health care (increasing co-pays), tax and other assistance policies of W-2 result in a system where a family with a parent earning \$12 an hour may have less disposable income than a family where the parent earns minimum wage (\$4.25 per hour). The Legislative Fiscal Bureau concluded that the net effect of tax differences and co-pays is that a W-2 parent of two children in Milwaukee would have lower disposable income when earning \$12 an hour (\$11,852) than when earning \$4.25 an hour (\$15,179).

XII. LEARNFARE—despite being a wasteful and ineffective program will be expanded.

A. W-2 provision

W-2 expands one of Wisconsin's least effective experimental programs, Learnfare, beyond teens to children ages 6-12. Lack of attendance or cooperation with a plan will result in \$50 per child per month sanctions. Presently, federal law allows states to require teens to attend school in order for a family to maintain an AFDC grant. However, Wisconsin seeks to require teens to attend school without a *quid pro quo*, i.e., teens are not eligible for cash assistance or W-2 job positions.

B. Problems

The State spends \$10.2 million annually on Learnfare. In aid sanctions, it "saves" only \$1.2 million. Further, the program has proved to be totally ineffective in producing the intended incentive to go to school. Learnfare's goal was to serve as a stick to get children to attend school in the hope that an education would prevent further poverty. It failed to create increased attendance. For some families, it reduced benefits. For other families, the intense pressure of facing cuts led to further child abuse. Still other families, who would have welcomed real help with the truancy problems of their teenagers, were ignored because of understaffing at the schools.

Learnfare, like W-2 had a "ring" of real reform to it, but it failed due to ineffective strategies and ill thought out sanctions. It should be eliminated as an ineffective experiment. It definitely should not be expanded to include younger children.

XIII. HOUSING IMPACT OF INCOME REDUCTIONS—families will lose homes.

A. W-2 Provisions

Community based (CSJ) jobs provide a monthly grant of no more than \$555 and transitional (T-2) jobs, a monthly grant of no more than \$518, regardless of family size.

There is no guarantee that low income people will obtain jobs that will adequately provide for their family's welfare.

B. Problems

For larger families, (and for families which must now include minor mothers and their children), these grants represent a substantial reduction in income and a commensurate problem of reducing the family stability that long term housing provides. The decrease in disposable income will create a problem for current and potential low income homeowners. Last year's low income borrowers were able to apply 48% of their AFDC checks towards the purchase of the home. Indeed, the sale of homes to low income minority residents represents an advance over Milwaukee's past record in lending. In 1989, Milwaukee was said to have the worst lending record to minorities in the U.S. Due to the work of community housing advocates, counseling agencies and "redlining" lawsuits, Milwaukee area financial institutions have improved their lending records. Now, W-2 could set back those achievements.

Not only may these struggling homeowners lose their homes, but also tenants with large families who must pay higher rents in private and public housing for larger apartments, will lose their homes. Milwaukee is already seeing the impact of W-2's forerunner, "Pay for Performance." Homeless shelters for families are filled to capacity. More families are facing eviction due to inability to pay rent. W-2 is sure to increase the homelessness of many children.

XIV. EDUCATION—W-2 lacks vision by falling to include education as a means to get off of welfare.

A. W-2 Provision

W-2 will fund only about 3,500 current participants in post-secondary education under JOBS before 1997.

B. Problems

Welfare was often used by the desperately needy on an interim basis in crisis situations. Many families worked their way out of poverty by finishing school and becoming taxpaying

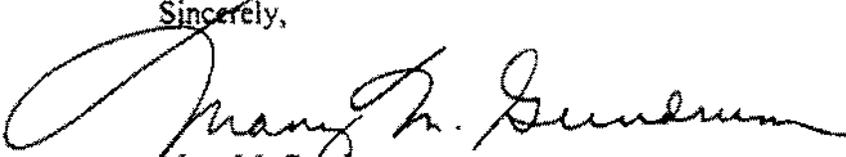
citizens. W-2 removes this true ticket to getting people into the workforce. Right now there are about 13,200 AFDC recipients attending universities and technical colleges in Wisconsin. About 10,000 current students will be denied the opportunity to complete educational programs and will lose their best hope of moving from welfare to permanent jobs by which to support their families.

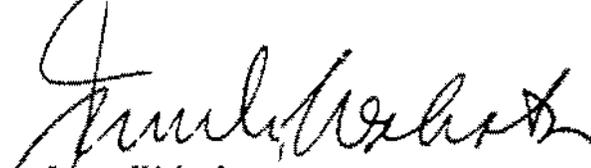
CONCLUSION

For all of the foregoing reasons, Legal Aid requests that the waivers be denied. Specifically, no waiver should be granted which removes entitlements to a job or work slots, health care, child care or food stamps for any participant who follows program rules. Fair hearings must be provided for all decisions affecting jobs and benefits. No waiver should be granted for a "Wisconsin Works" program that renders families poorer than they were on AFDC. No waiver should be granted which allows families with incapacitated members to receive the lowest benefits. Children with disabilities should be eligible for child care. Extensive criminal checks, especially into arrests for irrelevant groups of persons in the Kinship Care program should not be required. All children under any of the jobs or grant programs in W-2 must be assured their right to Title 19. Specialized income should not be counted as income. Work benefits must be provided for all "jobs," including work slots. Learnfare should be abolished and definitely not expanded. Workers should be permitted to complete college educational programs. Sanctions should apply only to non-cooperating individuals, and should not be used to cut off benefits to entire families. In short, waivers should not be granted which send families on a downward spiral to additional poverty, to family division and separation, and into overburdened foster care and protective care systems based on lack of housing, shelter and food. True welfare reform--not dependency shifting under W-2--should be the subject of waivers.

We trust that you will consider these comments in making your decision regarding Wisconsin's waiver request.

Sincerely,


Mary M. Gundrum
Associate Director


James Walrath
Executive Director

7- 3-96 : 4:54PM :

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7/9/96

BC Sig

7/9/96

Send to Densknid?



WOMEN'S LEGAL DEFENSE FUND

Yes —

July 3, 1996

President Bill Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington D.C.

Handwritten notes:
W-2 Wisconsin 7/10/96
Coordinate with W. + B. Reed
To [unclear]

Dear President Clinton:

On behalf of the Women's Legal Defense Fund, I urge you to deny Wisconsin's application for a waiver of federal law to operate "Wisconsin Works" or "W-2." This radical and unprecedented proposal will eliminate the safety net for women and their families, and will not provide the support necessary to move women from welfare into work.

"W-2" has been popularly portrayed as a plan that requires women currently receiving AFDC to enter employment, and enables them to do so. However, the fine print reveals that this characterization is a fraud. In the W-2 waiver application, Wisconsin disclaims any obligation to provide jobs, child care, health care, or any benefits whatsoever: "Notwithstanding fulfillment of the eligibility requirements for any component of Wisconsin Works, an individual is not entitled to services or benefits under Wisconsin Works."

W-2 is thus unlike any waiver previously approved by the Department of Health and Human Services. It provides no safety net for Wisconsin women and families walking the tightrope between self-sufficiency and poverty. Under W-2, the state may deny assistance to a family even if the parent is willing and able to work, but cannot find a job, or cannot afford the child care or transportation she needs to go to work. And any services or assistance Wisconsin chooses to provide may be terminated at any time -- not just at the end of the 60-month time limit. Although HHS has allowed states to impose many new conditions on welfare eligibility, it has never allowed states to eliminate a guarantee of benefits for those who meet all the new requirements.

Wisconsin's full waiver application makes clear the many reasons W-2 must not be approved:

1. W-2 WILL NOT PROVIDE JOBS TO ALL PARENTS WILLING TO WORK

Under W-2, Wisconsin need not provide jobs for those who want to work but cannot find jobs on their own. W-2 requires that all current welfare recipients move into employment, but no one is assured placement into job activities. Although Wisconsin currently plans to create some



state-sponsored jobs, the state is under no obligation to provide jobs, even if an applicant meets all eligibility requirements. Although Wisconsin currently enjoys low unemployment rates overall, that could change, leaving thousands of Wisconsin residents unable to find employment.

Certain areas of Wisconsin, such as Milwaukee County, already face high concentrations of AFDC recipients who will not be able to find employment locally. For example, in central city Milwaukee, over 18,000 currently unemployed AFDC recipients would join over 9,000 current job seekers in an area where employers reported about 2,000 full-time job openings in May 1995. Those welfare recipients who are willing and able to work, but for whom there is no job, would presumably be cut off the welfare rolls.

Under W-2, some women will undoubtedly receive state-sponsored jobs. But nothing in W-2 requires the state to maintain such jobs. And all families will lose all benefits -- and all state-sponsored employment -- after 60 months. After 60 months, even the children of women who have worked continuously in their job placements will not receive any assistance -- and women will be left to continue to raise their children with zero income.

II. W-2 PUNISHES WOMEN WHO HAVE BEEN DISCRIMINATED AGAINST

A woman who leaves a job because of sexual harassment or some other form of illegal sex discrimination and cannot find other employment immediately may be denied any help from the state. Under W-2, an applicant must meet certain non-financial criteria to be eligible for subsidized jobs. For example, the applicant must have made a good faith effort to look for a job and cannot have refused a bona fide offer of employment within 180 days (6 months) of application. But the terms "good faith effort" and "bona fide offer of employment" are undefined. There are no provisions exempting applicants who may have good cause, such as harassment or discriminatory treatment, to refuse an offer of employment or to leave a job.

III. W-2 ALLOWS EMPLOYERS TO DISCRIMINATE AGAINST W-2 WORKERS

Once women are employed through Wisconsin's W-2 program, especially in subsidized employment, community service, or W-2 transition positions, they may not be covered by fair employment laws such as the minimum wage laws, Family and Medical Leave Act and sexual harassment laws. Wisconsin gives employers license to discriminate against workers hired through the state's W-2 program, making W-2 employees second-class workers.

IV. W-2 HAS NO FAIR HEARING PROCESS FOR FAMILIES DENIED VITAL BENEFITS

W-2 participants have no fair hearing rights. Instead, W-2 provides that a participant may petition the local W-2 agency or the state to review the termination of benefits -- but the state is only required to review denial of benefits based on financial eligibility. Thus a woman whose benefits are terminated because she leaves a job placement because she is being sexually harassed

or must care for a seriously ill child has no right to a fair hearing -- and once her benefits are terminated, her family will fall deeper into poverty.

V. W-2 PUTS BATTERED WOMEN AT GREATER RISK

By sanctioning women who fail to find and keep jobs, and by placing a "drop-dead" time limit on women who use W-2's services, Wisconsin fails to recognize that domestic abuse frequently creates major barriers to women seeking independence.

Domestic violence threatens the lives of many current AFDC recipients. Recent research by the Taylor Institute in Chicago shows women who enter the workforce risk triggering domestic violence. Studies show that 50-80 percent of current AFDC recipients in job training programs have experienced abuse -- and often abuse is designed to sabotage the woman's work. For example, the studies tell the following stories: a woman with a blackened eye is too embarrassed to go to a job interview, all-night arguments make another woman late to work every morning, and a woman who is stalked at work is discharged because her employer believes her presence risks workplace safety. Economic dependence is one of the tools that abusers use to keep women from leaving a violent situation: they will not "allow" a woman to work and earn her own money.

Under W-2, many women will experience increased violence when they begin to seek work. Yet women who fail to find or keep jobs because of abuse-related problems will be punished under W-2. They may not be eligible for subsidized jobs or other benefits if they have recently refused employment out of fear for their safety, or miss work because of injuries. They may be sanctioned if they lose state-subsidized jobs because of ongoing abuse. If sanctioned, they will receive no fair hearing in which to explain their case. And even if some battered women receive services under W-2, when the 60-month time limit has run, the most vulnerable women -- still unable to maintain employment because of abuse -- will lose all benefits and services, and remain economically dependent on their abuser. W-2 in effect dismantles a safety net that is particularly critical to the survival of battered women.

VI. W-2 WILL NOT PROVIDE THE TRAINING WOMEN NEED TO FIND JOBS THAT CAN SUPPORT THEIR FAMILIES

W-2 does not provide job training or education; it requires immediate placement in low-wage or make-work jobs. Most welfare recipients need education and training to qualify for jobs that would allow them to leave welfare permanently and become economically independent. Women who are able to participate in programs, for example, that provide skills for non-traditional jobs such as construction or the trades are able to get higher-paying jobs. However, W-2 not only fails to provide such opportunities, it may force some women to leave training programs they are now in to take low-wage, dead-end jobs.

According to Wisconsin's Legislative Fiscal Bureau, W-2 would only allow 3,500 parents to continue in post-secondary or vocational education through July 2007. Ten thousand parents now enrolled would lose the chance to complete their training.

VII. W-2 WILL NOT ASSURE THE CHILD CARE MOTHERS NEED TO BE ABLE TO WORK

Child care will not necessarily be available for working mothers under W-2. W-2 will dramatically increase the demand for child care by sending thousands of single parents into the workforce. But W-2 eliminates the current guarantee that working welfare recipients receive child care. W-2 will require all recipients, including those with incomes below poverty, to pay for child care. The co-payments rise sharply with income and will make child care unaffordable for many families. Many families will not be able to find any child care -- the Planning Council of Milwaukee says there are currently only six child care providers for every 100 infants.

Wisconsin will also lower child care standards -- and mothers will pay more even for this lower-quality child care. In an inadequate attempt to address the problem of child care shortages and unaffordable care, Wisconsin has created a new category of unlicensed, untrained child care known as "provisionally certified providers." However, according to the Center for Law and Social Policy, because of the new fee schedule W-2 creates, many working parents with income just above the poverty line would have to pay four times as much as they do now for this new lower quality care and up to 10 times as much as they do now for licensed care.

Mothers of infants as young as 12 weeks old will be required to leave home to work -- and will face the worst of the child care shortages. Child care shortages will be particularly bad for the youngest infants: 28% of all licensed child care centers in Milwaukee county do not accept infants under age one.

VIII. W-2 WILL ELIMINATE GUARANTEED HEALTH CARE COVERAGE FOR WOMEN AND THEIR CHILDREN

Mothers and children are not guaranteed health coverage under W-2. The W-2 proposal repeals the current Medicaid program and replaces it with the Wisconsin Works Health Plan, which eliminates the guarantee of health care for all people who meet the eligibility criteria.

Wisconsin is the first state to request elimination of the guarantee of health care coverage for welfare families and transitional coverage for families that leave the rolls. The Wisconsin Legislative Fiscal Bureau estimates that 30% of the families currently receiving Medicaid will lose their health care coverage. For example, under current federal law, all children under 19 years of age whose families are below the poverty line will be phased into Medicaid coverage. The Wisconsin plan eliminates this coverage for children 12 years old or older.

Working mothers and their children will lose insurance under W-2. Individuals whose employers offer health coverage will be automatically ineligible for the W-2 health plan, even if the coverage is unaffordable; employers may require their workers to pay up to one-half of the premium, as well as deductibles and co-payments. Families are also disqualified if they had access to employer health coverage in any of the 18 months prior to their application for W-2 health

coverage. Thus a parent who switches jobs -- from an employer who offers health coverage to one who does not -- may make her family ineligible for the W-2 Health Plan.

Families eligible for the W-2 Health plan will be required to pay a premium for health care which will be unaffordable for many. Every participant in the W-2 Health Plan will be required to pay premiums -- even children and pregnant women. The premiums will start at \$20, even for the poorest families.

IX. W-2 WILL MAKE WORKING FAMILIES POORER.

Mothers who comply fully with work placement requirements will be poorer than under current law. The minimum health and child care co-payments for a mother with two children will be \$75 a month, even for a family receiving only \$518 a month (52% of the federal poverty line). That family will be \$57 worse off each month than under current AFDC rules.

In addition, families with a disabled parent will be made poorer. In families where a parent receives SSI, assistance will be cut to \$77 per child, a 28% reduction in total assistance for a family with two children.

In general, as earnings increase, families will be worse off under W-2. As income rises, required co-payments for child care and medical coverage rise sharply, and other assistance is cut back. Some families face implicit marginal tax rates higher than 100 percent. The Wisconsin Legislative Fiscal Bureau concluded that a parent of two children in Milwaukee would have lower disposable income when earning \$12 an hour (\$11,852) than when earning \$4.25 an hour (\$15,179).

In conclusion, Wisconsin's waiver request dismantles the safety net women and their families need. It eliminates fundamental guarantees of assistance, health care, and fairness. It is inconsistent with the basic principles articulated by this Administration in its actions on waivers and proposed legislation. It must be denied.

Thank you for your careful consideration of these comments.

Sincerely,
Judy
Judith L. Lichtman
President

Mr. President

cc:
Leon E. Panetta
Carol Rasco
Alexis Herman

Wisconsin's poorest families need the protection that a true safety provides. I fear W-2 tears it to shreds. I hope you will negotiate modifications that will provide these families with the economic security they so sorely need to be personally responsible without the state.

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



WR-Wise

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

DATE: *7/12/96*

TO: *Bruce Reed*

PHONE:
FAX:

FROM: John Monahan
Director

PHONE: (202) 690-6060
FAX: (202) 690-5672

RE:
CC:

Number of pages including cover sheet: *12*

Message:

BOB JAUCH
WISCONSIN STATE SENATOR

FACSIMILE TRANSMISSION

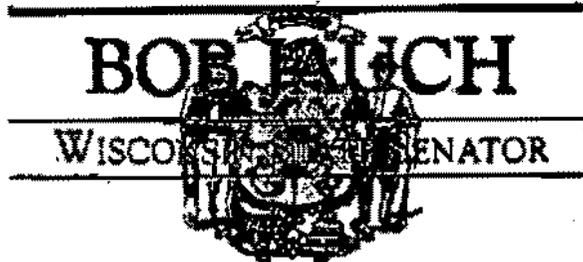
Copy to:
- Kerin Thurn
- Melissa S.
- Brva Ruel

DATE: 7/11/96
TO: John Monahan
FAX: _____
FROM: Sen. Bob Jauch

PAGES TO FOLLOW: 1

ALSO SENT VIA U.S. MAIL: YES NO

RE: The following is a quote
from Jean Rogers of the
Dept of Health & Family Services
re: Waiver approval Process.
Please share this with
the appropriate persons in response
to the Congressional Republicans
accusations of delays by
the Clinton Administration.



Quote from Ms. Jean Rogers, Administrator of the Division of Economic Support - Wisconsin Department of Health and Family Services, regarding the federal government's action on the W-2 waiver requests. This statement was made to members of the Wisconsin Legislature's Joint Finance Committee at their July 10, 1996 meeting:

Sen. Bob Jauch: "My question is on the process. One would be lead to believe that the federal government has closed the doors and shut out the lights and is not listening to Wisconsin on its W-2 request or any other waiver request that has been submitted. I was glad, but not surprised, to learn that the federal government recognizes that Wisconsin has an excellent reputation for being thorough and doing well."

Jean Rogers: "And we would say the same of them."

Sen. Jauch: "Could you respond to the receptiveness of the White House and the Department in terms of how they are dealing with this waiver. Do you get any sense at all that they are somehow delaying this, putting it on the slow track, stalling it or obfuscating the issues at all?"

Jean Rogers: "I would have to respond to your question having dealt with three (federal) administrations. The bureaucracy with which we work has been excellent. They are highly qualified professionals and are very thorough. We have no sense at this time, as in the past, that there is any stalling. There always is a difference in opinion as to how much time and how much depth one needs to go into in particular areas before you saw it off and move onto another issue. As you can imagine, because of the complexity of this request - bigger than anything they have dealt with or we (have) - that it takes time. But the process at the bureaucratic level is moving along in the same professional fashion as it has in years past."

Sen. Jauch: "As I understand it, the Clinton administration has approved a substantial number of waivers in the past."

Jean Rogers: "Yes, it has. The only area in which there has been an administrative delay is that, under this administration, there has been an additional hearing process put into place on the federal level (a 30 day Federal Register Hearing). It is my understanding, it was not (put in place) for places like Wisconsin where we have a very broad input process ahead of submission. Many states do not."

ON WISCONSIN NEWS

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Error in request for W-2 waiver to be fixed

By Amy Rinard
of the Journal Sentinel staff

July 11, 1996

Madison -- A glitch in the state's request for federal waivers to implement the W-2 welfare reform plan will be fixed, the state's top welfare administrator told a legislative committee on Wednesday.

Unless it's fixed, the error would cut off food stamps to participants earning \$8 to \$10 an hour while those earning \$11 to \$18 an hour would receive the benefits, according to a report distributed to legislators Wednesday.

State Democrats last week criticized the waiver request for allowing participants earning the higher wages -- more than \$35,000 per year -- to receive food stamps, and state welfare administrators said the request would be revised.

"Changes will be made as are appropriate so there isn't this cliff" where food stamp benefits drop off, J. Jean Rogers told members of the Joint Finance Committee Wednesday.

Sen. Robert Jauch (D-Poplar) called the report's findings "a smoking gun" that showed the Thompson administration was not careful enough in preparing the complicated waiver request. He called for a thorough analysis of the request.

"This is just one of those whoopses they did not intend," said committee co-chairman Rep. Ben Brancel (R-Endeavor), who wrote to Department of Health and Family Services Secretary Joe Leman asking that the error be corrected.

Last month, state officials revised the waiver request after the Journal Sentinel reported that one provision would have allowed participants in W-2, formally called Wisconsin Works, to displace existing workers in private-sector jobs.

Rogers said if the analysis of food stamp benefits under W-2 done by the Legislative Fiscal Bureau based on the waiver request is correct, it would be changed.

According to the Fiscal Bureau report, W-2 participants in trial jobs or unsubsidized jobs under the program would receive food stamp benefits when they earn \$4.25 to \$7 an hour at the same rate as under current law.

With an annual income of \$8,840 -- based on a job paying \$4.25 an hour -- a participant with two children living in a high-cost child care area such as Milwaukee County would receive \$3,163 per year in food

Error in request for W-2 waiver to be fixed

<http://www.nwjs.com/news/711glitch.html>

stamps. At \$10,400 (or \$5 an hour), a participant would get \$2,701 in food stamps; at \$12,480 (\$6 an hour), \$2,016 in food stamps; and at \$14,560 (\$7 an hour,) \$2,089 in food stamps.

But at an annual salary of \$16,640, based on an \$8-an-hour wage, the food stamp benefit for that family would drop to zero, according to the report. There also would be no food stamp benefits at an annual salary of \$18,720 (\$9 an hour) and at \$20,800 (\$10 an hour).

However, with an annual salary of \$22,880, based on an \$11-an-hour wage, food stamp benefits would total \$2,749 a year. The benefits would be phased out as income rises and would end when annual income reached \$39,520, or \$19 an hour.

trim from here In his letter, Brancel said the "cliff effect" for food stamp benefits "does not conform with the intent of the Legislature for the food stamp allotment to be gradually eliminated as income increases."

But Brancel said the needed changes should not delay the waiver approval process.

Rogers said approval of the waiver request by the Clinton administration could come by the end of this month.

"At the rate we're moving along, it's reasonable to assume we will have completed the process this month," she said, noting that she did not expect the Clinton administration to demand major changes in the W-2 plan.

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Aide says Clinton likely to OK W-2 waivers soon

By Frank A. Ankofer
of the Journal Sentinel staff

July 11, 1996

Washington — As Republicans turned up the heat on President Clinton to approve Wisconsin's proposed welfare reforms, an administration official said Wednesday that discussions with state officials had gone well and a decision could come soon.

Melissa Skolfield, assistant secretary for public affairs at the Department of Health and Human Services, said the department was "actively reviewing" Wisconsin's application for waivers from federal law that would allow Wisconsin Works, or W-2, to be implemented.

She said the end of a 30-day period for public comment came at the close of business Wednesday.

"Assuming that conversations with the state continue to go well, a decision could come fairly quickly," she said. She would not define the time period any more precisely.

Earlier, Leon Panetta, Clinton's chief of staff, had said a decision would be made within days of the end of the public comment period.

Meanwhile, Haley Barbour, chairman of the Republican National Committee, called on Clinton to approve the waiver immediately.

"Over a month ago, Bill Clinton said publicly that he approved of the Wisconsin welfare reform waiver," Barbour said in a statement.

He said Clinton had not rarely mentioned W-2 in passing, that "he devoted an entire weekend radio address to the subject." Clinton endorsed W-2 in a radio broadcast May 18.

"Immediately after, however, his administration started backtracking," Barbour said. "And now, it appears, the deadline will come and go with no waiver for the Wisconsin plan."

"Clinton may some day sign the waiver, but not until Wisconsin is forced to go through all kinds of contortions at the mercy of the Department of Health and Human Services. Wisconsin's difficulties in obtaining a waiver are not unique. Many other states have had to come to Washington, hat in hand, and beg for a waiver to implement their welfare reform plans."

Skolfield said Barbour's statement sounded like politics as usual.

Aide says Clinton likely to OK W-2 waivers soon

<http://www.onwis.com/news/711haley.html>

"We have made clear that we think the waiver requests from Gov. (Tommy) Thompson represent a step forward in welfare reform," she said.

"We already have approved three (past) waivers for Wisconsin, along with 67 demonstration projects nationwide in 40 different states, so our track record is pretty clear."

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**ON WISCONSIN
MILWAUKEE NEWS**

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On Wisconsin News Main Page

County officials concerned W-2 may leave many without health care

By Gretchen Scholdt
of the Journal Sentinel staff

July 11, 1996

The W-2 welfare overhaul could leave thousands of county welfare recipients without health care coverage, county officials predicted Wednesday.

Health coverage now is provided to recipients of Aid to Families of Dependent Children.

Under the work-based W-2 program, which would take effect in late 1997, health care coverage would not be guaranteed even for eligible participants. The program, formally called Wisconsin Works, requires federal approval, which could come later this month.

"People have never dealt with the medical costs of social problems because it was funded," said Supervisor Roger Quindel, chairman of the County Board's Health and Human Needs Committee. "Now it's just going to be work."

"Hospitals have been primary beneficiaries of social problems that cause monstrous health problems," he said after a special committee meeting called to discuss the county's future health care role.

Most W-2 clients apparently will be expected to accept whatever health coverage is offered by their employers or share in health coverage costs, said Paula Lucy, director of the county's Division of Health-Related Programs.

Under W-2:

Coverage would be provided through health maintenance organizations for working families with incomes less than 165% of the federal poverty level and assets up to \$2,500 only if employers would pick up less than half of a family's medical costs. The federal poverty level for a family of three is \$12,980 in income per year.

Pregnant women and children younger than 6, with incomes less than 165% of the poverty level; and children ages 6 to 12 in families with incomes up to the poverty level also would be eligible.

All participants would pay \$20 per month or more in premiums, depending on family size and income.

Those who fail to meet W-2 requirements or who cannot afford the co-payments may be left without coverage, she said.

Quindel said the state should consider adopting a 2% tax on hospital revenue to fund indigent health care.

The county this year has budgeted \$38.5 million for indigent health care provided under the General Assistance-Medical Program.

The state will reimburse the county for about \$17 million of that amount.

Most care provided under the assistance program used to be provided at Doyne Hospital.

When that hospital was sold to Froedtert Memorial Lutheran Hospital last year, the county also contracted with Froedtert to provide the bulk of the medical program services this year and next year.

The county still must decide what to do in years beyond 1997, when the agreement with Froedtert expires and there no longer is a state commitment to provide funding for the program.

Formal notice of Wednesday's 1:30 p.m. committee meeting was not given until shortly after 11 a.m., and then only after a Journal Sentinel reporter brought the lack of notice to Quindel's attention.

The state's Open Meetings Law requires at least 24 hours notice of a meeting unless "for good cause such notice is impossible or impractical."

Quindel said the lack of formal notice was an oversight. He also consulted with Corporation Counsel Robert G. Ott before going ahead with the meeting.

Ott said, "It was impractical to give more than the notice (given) because they wanted to have the meeting this afternoon."

In a letter to Ott, Journal Sentinel attorney Paul Kritzer wrote: "The topic of today's committee meeting -- the future of health care in the county -- focuses on one of the most controversial and significant public policy debates that the County Board will undertake in this decade. To proceed with such a seminal meeting with only two hours' notice to the public appears to be more than a technical or insignificant violation of the Open Meetings Law."

ACTIC Thursday



GEORGE
HESSELBERG
COMMENTARY

Thompson on his own holy roll

Add bearing false witness to the list of sins that litter the throne room of the governor these days. Tommy Thompson erupted like a bull Monday, responding to a Catholic archbishop's criticism of the governor's welfare changes.

The archbishop, Rambert Weakland, wrote that while welfare changes are necessary, removing a longstanding covenant to help the poor will deny food, clothing and shelter to poor children. Weakland correctly noted, as others have before him, that the governor's changes include the measure that even if a person qualifies for help, there is no guarantee he or she will get it.

The governor responded with a personal attack on the archbishop, which has been the modus operandi of the governor and his staff in nearly every single instance of criticism of his plan.

The governor referred vaguely to the Bible, accused the archbishop of wanting "to lock people in poverty," lectured the archbishop about "Christian doctrine," demanded the archbishop "apologize to the people of Wisconsin," and joked about such Bible stories as Christ turning water into wine.

Then, the governor's chief welfare disciple, Kevin Keane, complained that the archbishop had not personally come to the governor or offered constructive criticism. Keane also accused the archbishop of being a talker, not a doer, on the matter of helping the poor.

This is as close to bearing false witness as anyone can get without actually stubbing a wingtip on the Ten Commandment tablet rubble scattered in the governor's shadow.

Any check of the public record

will find the Catholic and other religious representatives at the governor's and Legislature's doorstep with even-tempered arguments and ideas for change.

Last September, the archbishop and the state's bishops cautioned against considering parents only as economic units.

"Welfare reforms that encourage work must never distort the proper balance that must exist between a person's role as a parent and breadwinner," the bishops said.

That was in response to, among other provisions, one that forces poor mothers to work after their children are 3 months old.

The Catholic bureaucracy — which could teach even the governor a few lessons about intransigence — repeated these criticisms last December through the Policy Group on Welfare Reform and asked for specific changes to the W-2 plan. In this case, it was noted that the Legislative Fiscal Bureau estimated that nearly three-fourths of all people now receiving Aid to Families with Dependent Children will be financially worse off under W-2.

The governor, who should have thanked the religious leaders for sitting on their duffs while the real public relations trawler work was being done by Republican operatives, instead decides to inflict his felt-board Bible school dogma on a bishop.

Meanwhile, W-2 is looking like the Ten Plagues of Exodus. Two recent studies show the child-care money promised to welfare recipients will be sorely inadequate to cover expenses, and critics have discovered instance after instance of bungled or misrepresented waiver applications in the governor's request for federal government blessing of the welfare changes.

The governor is getting testier and testier about this, referring to problems as "speed bumps," shouting at a critic to "get a job," and now sermonizing to the archbishop.

Last January the governor, in his State of the State speech, warned that "we will all be held morally accountable by history if we squander this opportunity."

He already was a political leader, crushing opposition, ignoring criticism, rewarding loyal disciples with the fruits of others' labor.

He then assumed the position of moral leader, demanding his way or no way, weeding out free-thinkers and punishing the poor.

Now, the spiritual leader.

He is under the influence of what he considers the highest political, moral and spiritual authority: Himself.

BE U

By Natasha Kazulko
Wisconsin State Journal

Mountain Dew commercial make climbing and rappelling look easy — too easy. Thrill seekers just Dew it. But in real mountain settings smart climbers take calculated risks without soda cans to clutter their vertical view.

Most mountain climbers don't have the luxury of chiseled-out hand- and footholds or solid anchors, so they gingerly comb rocks searching for the next step.

"One wrong move and a climber could wind up under the rocks instead of climbing over them," cautions Margie Ebert, an outing leader for the Devils Lake Rock Climbing School.

She points to the fact that Madison mountain climber Josh Han is among the latest adventurers to die in a dangerous avalanche zone.

Habe, a 28-year-old UW-Madi-

Weekend

"Coulee" is a popular word in — it shows up on street signs, on one playground.

La Crosse, which lies along the River in the southwestern part of the Ice Age glacial, that smoothed the landscape. What was left is the good-sized hills — and the deep valleys.

Primary attractions: The 600-foot Bluff provides a view of the city; Iowa and Minnesota, too.

The G. Heileman Brewing Co. tours from 10 a.m. to 4 p.m. Monday and from 12 a.m. to 3 p.m. on August.

Several riverboat cruise companies — some with meals, some lasting more — on the Mississippi. The J promoted as one of only six steamers still chugging up and down the river.

Maps charting historical trails are available at the La Crosse Society 207 Seventh St. N. You can also visit the Museum in Riverside Park or Museum on 5th Street South as history of the city for free.

Thompson reforms have worked, so will W-2

By Tommy G. Thompson

In his recent Washington Post guest column, Archbishop Rambert Weakland wrote about the need to help the poor and the children of our society. I couldn't agree more, which is why I have made welfare reforms such a high priority of my administration.

For the past decade, we have worked to transform a welfare system that traps people in poverty into a system that lifts people out of poverty. We've experienced remarkable success, helping 40,000 families escape welfare in the past decade — the best record of any state in the country. That's 40,000 poor families, including tens of thousands of children, who are better off today because of our welfare reform.



Tommy Thompson

Through our welfare reforms, we have enabled children to lead a higher quality of life. The facts are clear: Child poverty is down 13 percent in Wisconsin since we began welfare reform. Our child poverty rate is among the 10 lowest in the country. The poverty rate for children age 5 to 17 dropped by 25 percent between 1993 and 1994, according to the latest U.S. Census Bureau figures.

In Fond du Lac and Pierce counties — the two counties that end welfare benefits after two years — reports of child abuse are down. And numerous studies done by conservatives and liberals alike show that children of parents who work do better socially and in school than children of parents who don't work.

If Weakland compared our "Wiscon-

Thompson is governor of Wisconsin. This is an edited version of a July 9 letter he wrote to Milwaukee Archbishop Rambert Weakland.

GUEST COLUMN

sin Works," or W-2, program to Aid to Families with Dependent Children, he would see that families are better off financially by participating in W-2 than by being in welfare. A family of three, for example, has an after-tax income of \$1,250 a month under W-2 compared to \$800 a month under AFDC. Yes, they must work, but the reward is much greater than being on welfare...

During 10 years of welfare reform in Wisconsin, we have always put the children first. I began welfare reform out of a desire to help children and their parents live a higher quality of life. This is why my administration has invested millions of dollars in child care, health care, transportation, job training and other programs that help people get off welfare.

On the national front, I have been the most vocal critic of those who simply want to trim welfare rolls and reap the savings without making the upfront investment in the people on welfare. The people of Wisconsin have supported welfare reform because they care about children and want something better for them. Many people of faith in Wisconsin, including me, believe reforming welfare is very much consistent with an obligation to care for children.

Thus, I take great exception to Weakland's assertion that W-2 is unjust and would harm children. I am quite passionate in my desire to help the people of Wisconsin lead better lives, and I am just as passionate in defense of our programs, our people and our state.

I will continue to disagree with Weakland, the Wisconsin Catholic Conference and others who contend W-2 is unjust and is harmful to children...

The entitlement the Wisconsin Catholic Conference wants so badly to protect had done nothing but harm children for the past 60 years. It is the padlock that has closed the gate, trapping families in a wall of dependency and despair. And the people harmed

most severely by the AFDC entitlement have clearly been the children. It has led to increased teen pregnancy, low birthweight babies, increased juvenile delinquency, poor school performance and thousands of children spending their childhood in poverty.

The current welfare system was built on the notion that, on one hand, we would expect people to work, but on the other hand, we would provide them with a welfare check and benefits if they didn't work. If we learned anything from this failed welfare system, it is that such a system only makes it more difficult for people to escape and become self-sufficient. They become further trapped and reliant on the welfare system, instead of accepting personal responsibility for the care of their families.

The Wisconsin Catholic Conference proposal is not much different from the current welfare system. In fact, it actually makes the current system worse by providing welfare recipients with more benefits than they currently receive. The WCC initially proposed that women on welfare remain home with their children until age 3, since reducing that request to age 3. By increasing the benefits granted to women on welfare, the WCC is only making it harder for them to take on the personal responsibility of finding a job and supporting a family. And it is patently unfair to the working women of Wisconsin, who aren't afforded the luxury of staying home with the children until the youngest is five...

We believe W-2 is much more compassionate than the current system and the WCC proposal because it helps people get off welfare. Although we are eliminating the entitlement, we are making a firm commitment to caring for the children. The Legislature and the state are committed to providing services to every person who qualifies for W-2, so long as they meet their end of the deal by working. W-2 may contain some tough love, but tough love usually makes the person stronger in the end.

We all have an obligation to serve the poor — government, the church and the public. But no one entity bears that obligation alone. We must do it together, as partners...

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Today's mail

Court's ruling puts Amish in danger

The State Journal's recent report on the Wisconsin Supreme Court ruling overturning the requirement that Amish buggies display the orange "slow-moving

YOUR OPINION

We welcome letters of 200 or fewer words on matters of public interest. Letters are subject to editing; not all can be run. Please include your address and phone number, names and addresses will be published. Send letters to the Editor, State Journal.

OPINION

13A

Thursday, July 11, 1996

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Thompson reforms have worked, so will W-2

By Tommy G. Thompson
In his recent Washington Post guest column, Archbishop Rumbert Weakland wrote about the need to help the poor and the children of our society. I couldn't agree more, which is why I have made welfare reform such a high priority of my administration.

GUEST COLUMN

ain Works," or W-2, program to Aid to Families with Dependent Children, he would see that families are better off financially by participating in W-2 than by being in welfare. A family of three, for example, has an after-tax income of \$1,230 a month under W-2 compared to \$600 a month under AFDC. Yes, they must work, but the reward is much greater than being on welfare...

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Tommy Thompson

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During 10 years of welfare reform in Wisconsin, we have always put the children first. I began welfare reform out of a desire to help children and their parents live a higher quality of life. This is why my administration has invested millions of dollars in child care, health care, transportation, job training and other programs that help peo-

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United States Senate
WASHINGTON, DC 20510-4904
OFFICIAL BUSINESS

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Mr. Leon Panetta
Chief of Staff
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SPECIAL COMMITTEE ON AGING
DEMOCRATIC POLICY COMMITTEE

United States Senate

WASHINGTON, DC 20510-4904

July 11, 1996

Leon Panetta
Chief of Staff
The White House
Washington, D.C. 20500

Dear Leon,

I understand that staff at the Department of Health and Human Services and the White House are currently in the process of reviewing the State of Wisconsin's application for waivers from the Medicaid and AFDC programs, in order to implement the State's welfare reform initiative, Wisconsin Works (W-2). I have corresponded with Secretary Shalala and others at HHS in the past several months to forward comments from my constituents about the waiver request.

Although my State's request has received more political and media attention than many of the other recent waiver applications, I have consistently supported the Clinton Administration's decision to thoroughly review the materials before making a determination about which aspects to approve or deny. As I have said repeatedly, this should not be turned into a "political football."

Despite my desire to avoid interfering with the review process, however, there is one particularly troubling and important aspect of the waiver application that I have been asked to bring to your attention. It involves the elimination of the State's responsibility to provide an opportunity for a fair hearing process to W-2 beneficiaries or applicants when their assistance is denied, reduced or terminated.

Elimination of this requirement could result in an unnecessary denial of due process, and lead to wrongful denial of benefits resulting from inaccurate information or from arbitrary decision making. An analysis of Wisconsin-specific data conducted by the Center for Law and Social Policy indicates that in 1991, 61% of all fair hearing decisions were decided in full or in part in the claimant's favor. This suggests that the elimination of the fair hearing process would likely result in uncorrected, unjustified denial of W-2 benefits to Wisconsin citizens.

I urge you to pay close attention to this matter as you and your staff review the W-2 waiver application.

Best regards,



Russell D. Feingold
United States Senator

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**The President's Radio Address
Welfare Reform
May 18, 1996
(taped May 17, 1996)**

Franklin D. Roosevelt
WR-Wise

Four years ago, I challenged America to end welfare as we know it. A few days after I took office, I met with the nation's 50 governors and urged every state to send me a welfare reform plan that would help meet that challenge.

Today, I'm happy to report that we are making real progress. In the last 3 years, my administration has worked hard to free a record 37 states from federal rules and regulations so they can reform their own welfare systems -- more states than all previous administrations combined. For 75 percent of the people on welfare, these reforms have changed the rules for good.

Already, in state after state, we're seeing such encouraging results that the New York Times called it a "quiet revolution." Around the country, the welfare rolls have dropped by 1.3 million since January 1993. Food stamp rolls and teen pregnancy rates are also down, and across the country more people are required to work as a condition of receiving welfare. Child support collections have jumped 40%, to a record \$11 billion last year. State by state, we are making work and responsibility a way of life, not an option.

But more needs to be done to give the American people a welfare system that honors their basic values of work, responsibility, and family. In 1994, and again this year, I sent Congress a sweeping welfare reform plan that would impose strict time limits on how long people can stay on welfare and strict work requirements for people when they are on welfare. My plan would also provide more child care, so parents can leave welfare and go to work. And it would crack down on parents who skip out on their responsibility to pay child support. If Congress sends me a bipartisan welfare reform bill that is tough on work and responsibility instead of tough on children, I will gladly sign it.

In the meantime, I am doing everything in my power to keep moving ahead to reform the welfare system. Last year, I signed an executive order to require federal employees to pay child support -- because I believe governments don't raise children, parents do. We toughened the sanctions on welfare and food stamp recipients who refuse to go to work. Earlier this month, we took action to require teenage mothers to stay in school and sign personal responsibility contracts, or lose their welfare benefits. From now on, having a baby will no longer give you the right or the money to drop out of school and go on welfare.

We have come a long way in this debate. Across the country, we are seeing a remarkable bipartisan consensus for the kinds of reform I have long worked for. Most Americans, without regard to party, agree that people on welfare who can work should go to work, and no one who can work should be able to stay on welfare forever. We also agree that as we require welfare recipients to work, we should provide people child care so can leave welfare and stay off.

Today, I am happy to report on two states -- Wisconsin and [Indiana/Maryland] -- that are doing just that. Democrats and Republicans in both states have taken seriously my call for an end to welfare as we know it, and put forward ambitious plans to replace a welfare system based on writing people checks with a system based on putting people to work.

Wisconsin's plan, called W-2, will require people who can work to go to work immediately as a condition of receiving assistance. People who don't show up for work won't get paid, but people who go to work will have the dignity of earning a paycheck, not a welfare check. The Wisconsin plan adopts many other elements of my welfare reform plan: It provides child care to move people from welfare to work. It gives private employers an incentive to hire welfare recipients by using the money now spent on welfare to help give them a job instead. It toughens child support enforcement, and requires mothers to help identify the father as a condition of receiving welfare. And it insists that teen parents stay in school and live at home and turn their lives around. It's a solid plan, and I pledge the state my strong support to help give these reforms a chance to work.

[Indiana or Maryland -- details TK]

These two states, one with a Republican governor, the other with a Democratic governor, show the progress we can make when we work together. I will continue to do everything in my power to work with every state so we can end welfare as we know it in all 50. But now Congress needs to do its job, and join us in completing this revolution. Pass bipartisan welfare reform that makes time limits, work requirements, and tough child support enforcement the law of the land. If we put partisan politics aside, we can get the job done for the American people.

Thanks for listening.

WR-Wisc.

Wisconsin Waiver -- Talking Points

The President supports the Wisconsin welfare reform plan, and is committed to granting the waiver to get it done. The Administration just received the W-2 waiver request on Wednesday, and must allow a 30-day period for public comment and legal review, to make sure that once the waiver is granted it will not be overturned in court. In 1992, courts vacated a California welfare waiver because the Bush Administration had granted it without adequate public comment and review.

The latest Republican proposal to approve W-2 through legislation is just another cynical political stunt. Here's why:

First, this legislation has nothing to do with speeding up welfare reform in Wisconsin. At Gov. Thompson's request, the Wisconsin plan will not even go into effect until September 1997 -- fifteen months from now. He won't start moving people from welfare to work one day sooner whether he gets the waiver from the Administration in 30 days or special dispensation from Congress.

Second, if the Republican leaders who came up with this stunt were serious, they would pass a national welfare reform bill that provides health care and child care like the Wisconsin plan and the President's plan. Ending welfare by requiring welfare recipients to work and providing them health care, child care, and a job to go to has always been the heart of the President's plan -- and he vetoed the bill Congress sent him last year because it failed to do that. If that kind of welfare reform is good enough for Wisconsin, it should be good enough for this Congress to do for the country.

"Although Mr. Thompson is indeed a Republican, much in his welfare reforms is close to Mr. Clinton's heart. . . . In fact, praise for Wisconsin and scorn for the two congressional welfare bills are entirely consistent." The Economist, May 25, 1996

Instead of wasting Congress's time with gimmicks, Republican leaders should pass sweeping national welfare reform legislation to require work, impose strict time limits, and crack down on child support enforcement -- without taking health care away from the poor, the elderly, and the disabled. There are welfare reform bills with broad bipartisan support in both houses (Castle-Tanner in the House, Breaux-Chafee in the Senate) that would do just that.

It's time for Republican leaders to stop playing political games and get welfare reform done for the whole country. Don't hold welfare reform hostage. Don't send America's children a poison pill by taking away their health care. Let's put politics aside and get real welfare reform done, so we can make work and responsibility the law of the land.

PRESIDENT CLINTON JOINT NEWS CONFERENCE WITH GERMAN CHANCELLOR HELMUT KOEL MILWAUKEE CITY COUNCIL CHAMBER MILWAUKEE, WISCONSIN 12:43 P.M. EDT THURSDAY, MAY 23, 1996

~~WR-Wisc~~
~~WR-PRES~~

EXCERPT:

Q Mr. President, in recent days and weeks, you've announced your support for a series of largely Republican initiatives that have (seemed at odds with ?), criticized as being at odds with your previous positions, such as the gas tax despite your strong environmental policies, such as the Helms-Burton Cuba bill despite concerns expressed within your administration, such as the Wisconsin welfare plan despite concerns it might actually hurt children. Is this basically election year repositioning, subtle repositioning, or is this something more fundamental that's going on?

PRESIDENT CLINTON: Well, first of all, I dispute -- I dispute the way you characterized it...on the welfare issue, I don't see how any member of the American press corps could say that welfare reform is a Republican issue.

Now let me just give you a few facts here. In 1980, when I was governor of Arkansas -- 1980 -- I asked for and was granted permission to be one of the first states in the first federal welfare reform experiment in the modern era. I helped to develop the governors' positions in the mid-'80s and helped to write the Family Support Act of 1988.

Let's come to the present day. I have granted 61 approvals for state welfare reform experiments. President Bush granted 11, President Reagan granted 13. Three-quarters of the American people on welfare are now under welfare reform experiments. We have moved to stiffen child support enforcement. The results have been pretty impressive. The welfare rolls are down by 1.3 million, child support enforcement collections are up by 40 percent.

I don't believe welfare reform is a partisan issue. It's certainly not out there in the country. If you look at the 21 states where the welfare case load have gone down -- or the 13 states, or how many -- I think there are 13 where the -- no there are 21 states where the welfare caseload has gone down by 18 percent or more; 13 are governed by Republicans, eight by Democrats -- almost the exact ratio in the Governors Association as a whole. The state with the biggest drop in welfare caseload is Indiana, which has a Democratic governor. This is not a partisan issue.

Now, the Republicans passed a bill that I vetoed. Does that mean that they're for welfare reform and I'm not? No. They're -- look at the Wisconsin plan. You mentioned the Wisconsin plan. The Wisconsin plan does three things that I think are very important.

First of all, it says you've got to work immediately, but we'll give you a job, and we can use welfare money to subsidize private sector jobs or to create community service jobs. I asked every governor in the country to do just that when I spoke at the Governors conference in Vermont quite a long while ago.

Secondly, it says if you go to work, we won't ask you to hurt your children. We'll give you child care and health care. Now, it seems to me that those are elements that we all ought to be for.

Now, that is not what was in the Republican welfare reform bill. It was tough on kids and easy on work, and that's why I vetoed it. Now, amidst all this election-year rhetoric and posturing and gnashing of teeth, if you look beneath the rhetoric, the Republicans are moving toward the position I have advocated all along, and I'm encouraged by that.

In the country, this is not a partisan issue. This does not have to be a partisan issue in Washington. When Senator Dole was here Tuesday, he said some things which it seemed to me were very consistent with what I have said I would be glad to support. He said that he wanted a welfare plan that had tough work requirements, that had a five-year lifetime benefit, that had no welfare benefits to illegal immigrants, except in extreme circumstances, that had tough child-support enforcement, more responsibility for teen mothers, and greater flexibility for states to reform welfare on their own. They could retire -- require drug-testing. Or, as Texas does, they could require immunization. Now, I am for all of that.

Yesterday, the House Republicans introduced a new plan that abandoned most of their extreme proposals. And these proposals -- both what Senator Dole said and the House plan -- seem much closer to the bipartisan bills that are in the Senate and the House -- the Castle-Tanner bill, the Breaux-Chafee bill -- that I have supported.

So, here's what I'd like to say about it.

If we can rely on the common sense of America about this, we ought to still pass federal legislation; even though three-quarters of the American people under welfare -- who are on welfare, under welfare reform -- not all of them are -- even though the scholar from the American Enterprise Institute says in this week's edition of Business Week that I can justifiably claim to have ended welfare as we know it -- that's what he said -- the truth is we still need legislation.

So, what I say if this is Senator Dole's plan, I think what he ought to do is to pass this plan through the Congress before he leaves the Senate on June the 11th, and I will sign it. And we will put this behind us. } ?

So, that's my -- my attitude is let's let her rip. If this is

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the plan, let's don't pollute it with a lot of poison pills. Pass this plan through the Congress before you retire on June the 11th, and I will sign it. And it will be good for the country.

tion platform: Next Sunday, Israel and the Palestine Liberation Organization will open formal talks on the status of Jerusalem and the future of Jewish settlements in the West Bank.

These developments reflect a recognition in the United States and Israel that Mr. Arafat has thus far largely lived up to his commitment to turn away from implacable opposition to Israel and move toward reconciliation and peace. The latest evidence of his sincerity was the recent removal from the P.L.O. charter of calls for the destruction of Israel. The vote came at a difficult moment, when Israeli troops were engaged in reprisal operations against Hezbollah terrorists in Lebanon and continued to seal off Palestinian villages in the West Bank to prevent suicide bomb attacks in Israeli cities. But Mr. Arafat prevailed, as he had promised.

By doing so, and by sustaining a crackdown against Hamas partisans of violence in Palestinian-administered areas of the West Bank and Gaza, Mr. Arafat and the P.L.O. have demonstrated their desire to maintain the new peace between Israel and the Palestinians. As long as Mr. Arafat continues on this promising course, he deserves the economic development assistance that he has been

In other respects, Mr. Arafat's record as administrator has been less attractive. He has been slow to disburse authority and will not tolerate criticism in the press. He has selected aides more on the basis of loyalty than merit. Still, he must be given credit for winning a reasonably democratic election earlier this year.

Though competent administration is less immediately important to Israel than security issues, the assurance of a better economic life for Palestinians is necessary to consolidate the peace. Israel itself can contribute by lifting some of the economically damaging restrictions on the movements of Palestinian civilians after this month's Israeli elections.

European and Arab countries can assist by delivering the development assistance they promised, as Mr. Clinton now requests. The United States has a better record than most, having provided \$175 million of \$500 million pledged over five years.

Mr. Arafat and his Palestinian Authority, though far from perfect, represent one of the best available investments in Mideast peace. Assuming they maintain their present course, they deserve continued American support.

ago, who except and those born to be a genius? The seldom come from the "genius," ov ticle, was by t Stefan Zweig, v gether into a "Masier Builder Unlike Edmu ley Edgar Hym: great thinkers, Z ers of both sexe: Zweig died tr.

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Exec. Dir., Human Washing:

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To the Editor: William Safire's on the export of san from Hawaii leave that lawful recogni ual matrimony is in Whether the Co faith and credit" triggered by sam moot. More signific sex required vast

N.Y. Times - Mar 3, 1996

Wisconsin's Bold, Risky Welfare Plan

Gov. Tommy Thompson has signed far-reaching legislation that would, if he gets Washington's approval, make Wisconsin the first state to end its welfare program. Under the law, the state would instantly stop giving cash aid to able-bodied applicants. Instead, they would be put to work in private-sector jobs, subsidized if need be, or in community-service jobs.

There is much to admire in Wisconsin's forthright emphasis on work and support services. Mr. Thompson is one of the few Republican leaders who acknowledges the fact that welfare reform is expensive. The plan will initially exceed Wisconsin's current welfare expenditures by about \$40 million a year, or 13 percent. The program would provide generous health and child-care subsidies to all working-poor families, not just those on welfare. That way welfare parents would no longer face the loss of these key benefits when they find work. The plan would also allow mothers to keep most of the child-support payments that are made by absent fathers. Individuals who are incapable of holding steady jobs could receive ongoing support for engaging in limited work and rehabilitation activities.

But there are troublesome provisions that are most easily seen by comparing the Wisconsin plan with President Clinton's welfare proposal. Mr. Clinton would have allowed welfare parents to spend up to two years in training or education programs. The Wisconsin plan provides for no training that is separated from work. This may steer some parents from intensive literacy and other needed training.

Mr. Clinton's plan would have imposed a two-year time limit on cash benefits, after which parents who obeyed the rules would be given a public-sector job if they could not find work on their own. The Wisconsin plan would impose no time limits on

health or child-care benefits. But it would set a time limit of five years on job subsidies, without any commitment to extend the limit for parents — perhaps half of those who start out in subsidized jobs — who obeyed the rules but could not find unsubsidized work.

Mr. Thompson points out that, under his plan, the state would have the leeway of extending job subsidies beyond five years on a case-by-case basis. Guarantees, he says, muffle the welfare parent's incentive to find work and invite endless judicial challenge. That may be so. But his proposal exposes innocent children to risk. The record of states in creating public service jobs is poor. What happens when Wisconsin ends aid not tied to work, but fails to create the 40,000 jobs it might take to empty out its welfare rolls? What happens if Wisconsin's economy turns sour and the state cannot find money to cover health benefits for needy families?

Mr. Clinton's best response is to embrace the good parts of the Wisconsin plan without embracing all of its risks. He should insist that the plan be phased in slowly so that, for example, welfare benefits of large families would not, as proposed, be cut quickly. Wisconsin should be required to monitor its programs and publicize how many needy parents are thrown out of subsidized work. Mr. Clinton should also require a concrete commitment from Wisconsin that it will spend whatever it takes to provide the benefits it has promised.

Mr. Clinton's pledge to "end welfare as we know it" — with its ironclad job offer for parents who obey welfare rules — is better than Wisconsin's pledge to end welfare, period. But Mr. Clinton can nevertheless embrace Wisconsin's right to experiment as long as he insists that the state smooth the plan's harshest edges.

Editorial Notebook

Notes From the Underground

WR
Wisc.

I want to say a few words on a subject of intense interest here in Wisconsin -- our drive to end welfare as we know it.

For fifteen years, I have been working to transform a broken system that undermines our basic values of work, responsibility and family.

For the past three and a half years, while others in Washington have been talking about welfare reform, we have been doing it. My administration has worked with 38 states to approve 61 welfare reform experiments. We have changed the rules for fully three-quarters of the people on welfare.

We have increased child support collections by 40%, and I signed an executive order to require federal employees to pay child support. Instead of just talking about requiring teen mothers to take responsibility, I have taken executive action to direct every state to require minor mothers to stay in school, sign personal responsibility contracts, and turn their lives around.

Last month, Wisconsin passed one of the boldest reform plans in the country. The state is sending it to me to approve -- and that is exactly what I am going to

do.

The Wisconsin plan does what I have always said welfare reform must do. It puts a time limit on welfare and requires people to go to work. And it makes sure people have child care, health care and a job to go to. That is what my welfare reform plan does -- and that is exactly what the plan Congress sent me last year did not do.

I have long believed that the only way we will enact real welfare reform across America is if people of both parties join together around these core principles. So I am particularly pleased that, in recent days, leading Republicans have begun to move toward this common ground.

On Tuesday, Senator Dole came to this state and spoke out in favor of an approach very similar to mine. And his new approach moves away from the more extreme proposal he and Speaker Gingrich sent to me that was weak on work and tough on kids.

My plan -- and Senator Dole's plan -- embrace tough work requirements for welfare recipients, a five-year lifetime welfare limit, no welfare benefits to illegal immigrants except for emergencies, tough child support enforcement, more responsibility for teen mothers, and

vastly greater flexibility for states to reform welfare their own way such as requiring drug testing.

Just yesterday, House Republicans introduced a new plan that abandoned most of their extreme proposals that had forced me to reject their bill last year.

Senator Dole's proposal, and the House Republican plan, are now very close to two bipartisan bills -- introduced by Senators Breaux and Chafee, and Reps. Castle and Tanner -- that I have supported.

We still have some differences. I reject the idea that welfare reform has anything to do with taking away the guarantee of health care for senior citizens, pregnant women, poor children, and the disabled.

But on welfare reform, we are a whisker away from a historic consensus that would truly end welfare as we know it. So we could talk this issue to death, and give speech after speech about phony disagreements. Or we could do what most Americans would do, and come together to make this consensus the law of the land.

Senator Dole, let's be doers, not talkers. Let's get welfare reform done for the American people. Let's

pass it into law before you leave office on June 11th.
That would be a real legacy of achievement.

WR - Wise

sen. dole was here the day before yesterday and released a welfare reform plan based on five principles which essentially agree with those i have

- time limits.
- work requirements
- flex for states
- no benies to teen mos who do not live at home
- no benies to illegal aliens
- optional state drug testing for wel rec

pushing this for years.
if sen dole is serious about passing a bill this year, i urge him to embody these five pril;es in a bill upon which we can both agree.

a bill that does just this is now pending in the senate, called the breaux chafee bill, endorsed by 12 of his gop colleagues. while this bill needs some improvements, it forms the basis for the ples he and i both advocate.

if the sen urges cong to pass this bill based on these five elements, without the extreme conditions attached by rep in the past, i will sign it. i am gratified that the rep. abandoned some of their extreme measures in the bill they proposed yesterday. they are moving toward the common ground, although their bill punishes children in too many incidents for me to accept it. the choice for sen Dole is clear: Will he be a doer or a talker, a lawmaker or a speechmaker? If sen dole is willing to discard the speeches and the rhetoric and shape a welfare bill around the five ples he has agreed with me on, i will sign that bill. if not, the Americ people are entitled to draw the sad inference that he would rather give a good speech than pass a good bill.

actions do speak louder than words.

INSERT FOR SPEECH

And we must reform welfare. For fifteen years, I have been working to transform a broken system that undermines our basic values of work, responsibility and family.

Since I took office, I have given 38 states the freedom to fundamentally transform welfare. Last month, Wisconsin passed one of the boldest reform plans in the country. You just sent it to me to approve -- and I that is exactly what I am going to do.

The Wisconsin plan does what I have always said welfare reform must do. It puts a time limit on welfare and requires people to go to work. And it makes sure people have child care, health care and a job to go to. That is what my welfare reform plan does -- and that is what the plan Congress sent me last year did not do.

I have long believed that the only way we will enact real welfare reform across America is if people of both parties join together around these core principles. And I am pleased that, in recent days, leading Republicans have begun to move back toward this common ground.

On Tuesday, Senator Dole came to this state and

spoke out in favor of an approach very similar to mine. My plan -- and his plan -- embrace tough work requirements for welfare recipients, a five-year lifetime welfare limit, no welfare benefits to illegal immigrants except for emergencies, tough child support enforcement, more responsibility for teen mothers, and vastly greater flexibility for states to reform welfare their own way such as requiring drug testing.

Just yesterday, House Republicans introduced a new plan that abandoned most of their extreme proposals that had forced me to reject their bill last year.

Senator Dole's proposal, and the House Republican plan, are now very close to two bipartisan bills -- introduced by Senators Breaux and Chafee, and Reps. Castle and Tanner -- that I have supported.

We still have some differences. I reject the idea that welfare reform has anything to do with taking away the guarantee of health care for senior citizens, pregnant women, poor children, and the disabled.

But on welfare reform, we are a whisker away from a historic consensus that would truly end welfare as we know it. So we could talk this issue to death, and give speech after speech about phony

disagreements. Or we could do what normal Americans would do, and come together to make this consensus the law of the land.

Senator Dole, let's be doers, not talkers. Let's get welfare reform done for the American people. Let's pass it into law before you leave office on June 11th. That would be a real legacy of achievement.