

Per Email

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Kathi

Draft response for POTUS
and forward to CHR by: _____

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

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Let's discuss: _____

For your information: _____

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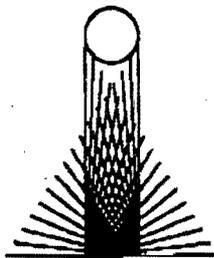
PR

5/26

Sent
- Red dit to Kathi
5/26
- Called Kathi
to look out
for it.
(pr)

Ray
On Tuesday cr.
w/ Kathi on
status of this
call. I need to
know when
it's completed.

FILE after completion:
WRef: CHILD Exem.



**NOW LEGAL DEFENSE
AND EDUCATION FUND**

99 HUDSON STREET

NEW YORK, NY 10013-2815

May 23, 1994

(212) 925-6635

FAX (212) 226-1066

BY FACSIMILE

Carol Rasco
Assistant to the President for Domestic Policy
2d Floor, West Wing
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

I am writing on behalf of over 80 organizations that oppose the Child Exclusion -- the denial of benefits to children conceived and born on welfare -- in the Administration's proposed Welfare Reform Plan. The Child Exclusion should be neither a requirement nor a state option. Our letter to President Clinton concerning this issue is attached.

We understand that the question of whether the Child Exclusion will be included in the plan will be made within the next few weeks, if not days. Because you are one of the President's key advisors on welfare reform, a small, representative group of our coalition would like to meet with you to discuss this important issue. We are available at your convenience. Please contact Martha F. Davis, NOW Legal Defense and Education Fund, (212) 925-6635, ext. 4339.

Thank you for your consideration of this request. We look forward to hearing from you and meeting with you in the near future.

Very truly yours,

Martha F. Davis
Martha F. Davis
On behalf of the Child
Exclusion Task Force

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Director, Planning and Development

VIVIAN TODINI
Director, Communications

PATRICIA B. REUSS
Sr. Policy Analyst, DC Office

April 15, 1994

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

Dear President Clinton:

As national, state and local organizations, we are united in our efforts to promote the health and welfare of America's families. We have been following the current welfare reform debate, and we are writing to express our concern about the **harmful impact of the CHILD EXCLUSION proposal** contained in the Administration's most recent draft plan (Possible Elements in the Welfare Reform Proposals, March 22, 1994, at p. 13). These provisions, similar to ones already adopted on an experimental basis in several states, deny AFDC benefits to any child conceived and born after the family enrolls in the AFDC program.

Our principal concern is that child exclusion plans hurt the children of already impoverished families. By completely cutting off benefits for any child conceived while a family is on AFDC, the administration will punish innocent children and their siblings in families struggling to stretch meager resources just to provide the necessities for their children.

Second, years of social science scholarship, some of it authored by high-ranking officials in your own administration, make it clear that people make childbearing decisions for complex and varied reasons. The promise of a tiny incremental gain in welfare benefits is not an inducement to have additional children. In fact, the increased costs of another child are not nearly offset by the additional benefits.

Third, the Administration's support for child exclusion plans contravenes all of your other policies and legislative initiatives to promote "healthy children, healthy families." We applaud your advocacy of increased funding for Head Start and the Women, Infants and Children program, to name just two. However, proposing this particular welfare "reform" of excluding poor infants from basic subsistence coverage while supporting other programs for children is, at best, counter-productive.

Finally, any short-term fiscal saving to be gained from the exclusion of children from the welfare program will be more than outpaced by the long-term social costs of further impoverishing children and families already in distress.

When you ran for President, you promised to be a champion for America's children. We urge you to provide that leadership now by eliminating the child exclusion from your Administration's welfare reform plan. Lest there be any misunderstanding, we believe that proposing a child exclusion as a "state option" is not an acceptable compromise. We view a state option as an open invitation to the states to deprive children of subsistence benefits. This approach is not a compromise, but rather a failure of the Administration's promise to America's children.

We would be happy to work with you to fulfill that promise. Toward that end, a delegation of our organizations hereby requests a meeting with you, Mr. President. Thank you for your swift attention to our request and to the matter of child exclusion.

**NOW Legal Defense and Education Fund
ACLU (American Civil Liberties Union)**

ADA (Americans for Democratic Action)
Advocates for Youth (formerly The Center for Population Options)
American Medical Student Association
Boston Women's Health Book Collective
BPW (National Federation of Business and Professional Women)
Bread for the World
California Women's Law Center
Catholics for a Free Choice
Center for Advancement of Public Policy
CLASP (Center for Law and Social Policy)
Center for Reproductive Law and Policy
Center for Women Policy Studies
Center for Women's Global Leadership
Center on Social Welfare Policy and Law
Child Care Law Center
Child Welfare League of America
Church Women United
Coalition of Labor Union Women
Connecticut Commission on Children
Connecticut Legal Services
Connecticut Women's Education and Legal Fund
Family Service America
Feminist Majority
Feminists for Life
Food Research and Action Center
Friends Committee on National Legislation
Institute of Sisters of Mercy of the Americas, Leadership Team
ISAR, A Clearinghouse on Grassroots Cooperation in Eurasia
Jewish Labor Committee
Justice, Economic Dignity and Independence for Women (Utah)
Legal Action Project of the National Committee for the Rights of the Child
Legal Assistance Resource Center of Connecticut
Legal Services of New Jersey
Lutheran Office for Governmental Affairs, ELCA
MADRE
MALDEF
MANA, A National Latina Organization
9 to 5
NAACP Legal Defense & Educational Fund, Inc.
National Abortion Federation
NARAL (National Abortion and Reproductive Rights Action League)

National Association for the Education of Young Children
National Association of Child Advocates
National Association of Commissions for Women
National Association of Social Workers
National Black Women's Health Project
National Consumers League
National Council of Churches
National Council of Jewish Women
National Council of LaRaza
National Council of Senior Citizens
NEA (National Education Association)
National Jewish Community Relations Advisory Council
National Latinas Caucus
NOW (National Organization for Women)
National Welfare Rights and Reform Union
National Women's Health Network
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
Northwest Women's Law Center
Oregon Food Bank
Planned Parenthood Federation of America
Presbyterian Church (USA), D.C. office
Puerto Rican Association for Community Affairs
Puerto Rican Legal Defense & Education Fund
Religious Coalition for Reproductive Choice (formerly Religious Coalition for Abortion Rights)
Salt Lake Community Action Program
Seamless Garment Network
Stanislaus County (CA) Welfare Rights Organization
Unitarian Universalist Association, D.C. office
United Church of Christ, Office for Church in Society
Western Center on Law & Poverty
Wider Opportunities for Women
Women and Poverty Project
Women Employed
Women of Color Partnership
Women of Color Resource Center
WOMEN OF REFORM JUDAISM
Women Work!
Women's Economic Agenda Project
Women's Equal Rights Legal Defense and Education Fund
Women's Law Project
Women's Legal Defense Fund
Women's Self-Employment Project (Chicago)
YWCA of the U.S.A.
 (list in formation)

cc: **The Honorable Donna Shalala**
Alexis Herman
Melanne Verveer
Ricki Seidman
Doris Matsui
Carol Rasco
Bruce Reed
Bill Galston
Mary Jo Bane
David Ellwood
Christine Anne Varney
John Podesta
Michael Wald
Patricia Sosa
Wendell Primus

File: Welf Reform



STATE OF DELAWARE

WASHINGTON OFFICE
444 North Capitol Street, NW, Suite 230
Washington, DC 20001
Phone: 202/624 - 7724
Fax: 202/624 - 5495

Urgent

202/690-5678

Thomas R. Carper
Governor

Liz Ryan
Director

J. Junathon Jones
Deputy Director

TO:

John Munihan

FROM:

Liz Ryan, Office of the Governor
State of Delaware

DATE:

4/11/94

of Pages:

2 (including cover page)

NOTE:

Final draft. Please call me
at work 624-7724 or at
home [redacted] P6/(b)(6) IF you
have additional concerns.
Thanks again for your help!

Please note: The pages comprising this facsimile transmission contain confidential information from the Washington Office of Governor Tom Carper. This information is intended solely for use by the individual entity names as the recipient thereof. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this transmission is prohibited. If you have received this transmission in error, please notify us by telephone immediately so we may arrange to retrieve this transmission at no cost to you.

TO ALL GOVERNORS:

The Welfare Leadership Team SAC has been working closely with the President's Working Group to convey state concerns as it develops its welfare reform proposal.

The Administration is now nearing final decisions on its welfare reform proposal, and will be seeking support from Governors and NGA for its package. As we approach the end of the consultation process, the Leadership Team needs additional guidance from Governors to give the Administration a fuller sense of Governors' concerns.

Attached to this letter are two documents:

- a brief summary of our current understanding of some of the issues being considered by the Administration
- a questionnaire soliciting your views on a number of policy options.

We recognize that not all of the issues may be of concern to each state, so please feel free to address only those that are likely to be critical to your decision on the final legislative proposal.

Since the President still anticipates introducing legislation this spring, we need quick turnaround. Please fax your remarks to NGA, Attn. Margaret Siegel, Human Resources Group, at 202/624-5313, by Monday, April 18.

Governor Carroll A. Campbell, Jr.

Governor Howard Dean, M.D.

Governor John Engler
Co-Chairman
Welfare Reform Leadership Team

Governor Tom Carper
Co-Chairman
Welfare Reform Leadership Team

WELFARE REFORM
OVERVIEW OF CURRENT ADMINISTRATION THINKING
 April 11, 1994

TRANSITIONAL ASSISTANCE

Proposals under consideration by the Administration would replace the current open ended AFDC program with a time limited transitional assistance program for all financially eligible families with a parent born after 1972 (or thereabouts). The new transitional program would take effect two years after enactment. Additional families could be transferred to the time limited program upon state option.

JOBS

Adults enrolled in the transitional program would be expected to actively seek work and to participate in appropriate activities to improve their education and employment skills. States would be required to see that the necessary services were available to improve employability. Additional funds would be made available to the states to fully implement the JOBS program for adults in the transitional program. In addition, current JOBS requirements would be continued for the population remaining in the AFDC program. *

PREJOBS

The proposal calls for allowing certain families to be temporarily deferred from the time limited transitional program. Adults in such families would be required to engage in some type of productive activity. Two options are under consideration. Under the first option the federal government would specify categories of individuals to be placed in the JOBS-prep program (mothers of infants, adults needed to care for disabled children, etc.). In the second option, states would be allowed to ~~exempt~~ ^{assign} a specified percent of the total caseload to JOBS prep.

The Administration is proposing to provide the states with broad flexibility in the definition of the requirements to be fulfilled by persons in the JOBS-prep program. The expectation is that everyone will be expected to do something to contribute to their community, but they would not be subject to the time limit until ready to enter the JOBS program.

plus a cert
 specified
 percentage
 of the
 caseload
 which will
 be assigned
 to JOBS prep

WORK

The proposal would require that all transitional program participants who exhaust their benefits and are unable to secure jobs will be provided an opportunity to work. While the Administration favors the creation of wage paying opportunities over workfare,

discussions have indicated that it will likely give states broad flexibility in the construction of the work requirement. It is likely that individual work assignments would be at least half-time and be limited to no more than one year at which point there would be additional job search and a reassessment of employment capability. If work is still appropriate but a job is unavailable, another subsidized work opportunity would be made available.

MAY

The Administration proposal reduces the federal share for payment of costs of persons in the WORK program beyond a certain period of time, not yet specified.

The Administration projects that there may need to be approximately 500,000 subsidized jobs created by 2004.

Not successful
Subsidize!

SANCTIONS

The Administration proposes that families will be made totally ineligible for AFDC benefits, if the adults fail to comply with either JOBS or WORK requirements. This includes the termination of benefits to individuals in the WORK program, after some period of time, if they are not making real effort to secure work.

Realize
date

PART TIME EMPLOYMENT

Several states have suggested that individuals who are unable to find or perform full-time work should retain eligibility for cash assistance on a long term basis as long as they are working. The Administration is considering allowing states the option of continuing assistance to individuals working at least 20-30 hours per week, and also allowing states considerable flexibility in the creation of work incentives or income disregards.

ELIGIBILITY CHANGES

The current AFDC automobile disregard (\$1500 in equity value) is likely to be increased to the Food Stamp disregard (\$4500 in value) and then indexed to the Food Stamp definition.

The current rules for AFDC disregard of automobile will be made as consistent as possible with the Food Stamp program.

Federal assistance to teenage mothers is expected to be conditioned on these mothers remaining in their parents' homes or in other extended family situations (unless there is a danger of abuse to the minor mother).

the homes of other responsible adults

FUNDING

The Administration is attempting to develop a funding approach that will minimize additional state expenditures by providing a more generous federal match. At the same time, the Administration proposes that the federal government would recoup some portion of savings to offset the additional federal program investment.

SYSTEMS

The proposal calls for the development of significant new systems in several areas, including prevention of fraud, interstate child support enforcement, administration of a time limited system within and across jurisdictions, and the administration of a WORK program.

CHILD CARE

The Administration is proposing to expand child care to provide subsidies to the working poor, through the mechanism of a capped entitlement program. Eligibility would be extended to those in JOBS or WORK and those in transition from AFDC or WORK. The Administration is grappling with quality and coordination issues as it looks to expand child care; these issues include rate setting, program coordination and consolidation, state oversight responsibilities, and funds for investments in improving child care quality. No

TWO PARENT FAMILIES

It is likely that states will be given the option of expanding eligibility to two parent families.

WAIVER AUTHORITY

The proposed program builds on existing state experimentation and will provide greater range of state options, thus eliminating need for many current waivers and demonstrations.

WELFARE REFORM
PROPOSED QUESTIONS FOR GOVERNORS
April 6, 1994

TRANSITIONAL ASSISTANCE

- Are the suggested criteria for mandatory enrollment in the new time-limited program, that is beginning with young parents born after 1972 with the program phased-in two years after enactment, acceptable? NO
 Yes _____ No _____

Comments: _____

JOBS

- The current JOBS program, funded at \$1 billion/year, serves less than 20% of eligible recipients. The Administration proposal would serve another 30% for an additional \$1 billion/year beginning in 1999. Is this sufficient to fully serve the adults who will be participating in the transitional program?
 Yes _____ No _____

Comments: _____

PREJOBS

- The Administration proposes to defer some families from the time limit in the transitional program and assign them instead to the JOBS-prep program. What approach would you support?
 No deferments _____
 Specifying categories of individuals, such as disabled adults or those caring for a disabled child, or infant under the age of one? _____
 Allowing states to exempt a certain percent of the caseload.
 five ten fifteen twenty other (circle one)
 Creating participation requirements for the program, to be set at
 75 80 85 90 other (circle one)

plus allowing states to exempt an additional percentage of the caseload

JOBS?

Comments: _____

for cash assistance

WORK

- What options should be available to states as they attempt to create work opportunities for participants who reach the end of their two year eligibility?
 work for wages (in subsidized public or private sector positions) _____
 community work experience _____
 mandated volunteer service _____
 the authority to create a variety of work requirements _____

Comments: _____

- The proposal is likely to include a minimum work requirement of at least thirty hours a week, with a state option to reduce the minimum to twenty. Do you support this?
 Yes _____ No _____
 Would you support a minimum work requirement of twenty hours/week, with the option to go to thirty?
 Yes _____ No _____

Comments: _____

- Is the proposed subsidy of approximately \$ 4200 per slot to cover the costs of developing and administering the WORK program sufficient?
 Yes _____ No _____

Comments: _____

Do you believe that, beginning in 1999, your state can create the jobs necessary for those who reach the two year time limit and are unable to find employment? The Administration estimates that 500,000 subsidized jobs could be required by 2004.

Yes _____ No _____

Comments: _____

- Should participants in a subsidized WORK program be eligible for the EITC?
 Yes _____ No _____

Comments: _____

PART TIME EMPLOYMENT

- Should states have the option of continuing cash assistance to those who are working part time?

Yes _____ No _____

Comments: _____

and still meet the AFDC financial eligibility criteria

- What should the minimum level of employment be set at?

no minimum _____
 20 hours _____
 30 hours _____
 state option, with a minimum of 20 hours _____

in order to permit continuing receipt of cash assistance

Comments: _____

FUNDING

- Would you be willing to consider a funding package that would allow the federal government to recoup the costs of increased federal match for program improvements from the state and local share of savings resulting from caseload reductions or reduced benefit costs?

Yes _____ No _____

Comments: _____

Would you be willing to accept a state maintenance effort for current AFDC expenditures (including its spending) as part of the welfare reform financing package

SYSTEMS

- The program appears to provide states with up to two years after enactment for initial implementation. Is this sufficient?

Yes _____ No _____

Comments: _____

The Administration is considering establishing a single federal match rate for various components of federal welfare program. Do you ~~agree~~ support such an approach? Yes _____ No _____

CHILD CARE

- Would states be willing to accept a requirement that they extend registration and state determined health, safety and provider training requirements to all day care providers, including providers that are exempt from state regulatory standards, such as baby sitters and small in-home care givers.

Yes _____ No _____

Comments: _____

TWO PARENT FAMILIES

- Do you favor giving states the option of expanding eligibility to two parent families?

Yes _____ No _____

If yes, what benefits should be included? transitional assistance and WORK

Yes _____ No _____

cash supplements to working poor families whose income is below state benefit levels? ?

Yes _____ No _____

Comments: _____

- Would you be agreeable to a maintenance of effort provision that would require that any state savings in this area (largely from general assistance savings) be reinvested in the state's welfare program?

Yes _____ No _____

Comments: _____

Not under curical

WAIVER AUTHORITY

- The proposal appears to increase the options available to states. Are there any major elements of current large scale demonstrations that do not appear to be included in Administration proposals that states will want the flexibility to continue on a demonstration basis?

Yes _____ No _____

Comments: _____

~~SECRET~~

- Should the proposal include provisions to streamline and simplify the waiver process for all applicable federal programs?

Yes _____

No _____

What does this mean?

Comments: _____

- Should the act continue to include authority for ongoing demonstration and experimentation?

Yes _____

No _____

Expand to include related programs _____

Comments: _____

OTHER ISSUES

- Are there any items not discussed above that have been included in prior discussion documents that are unacceptable to your state?

- Are there any items that your state believes must be added to the plan to make it acceptable to you?

State/ Commonwealth _____

Governor _____

Staff Contact for Questions _____

Staff Contact Phone Number _____

*cc: Fiji to
Bruce Reed
Kathi Way
Rahm*

*File: Welfare Reform
Went for Friday*

FAX: (202) 662-3550

APR 6 REC'D



FACSIMILE TRANSMITTAL SHEET

Orig
TO: Carol Rasco
FIRM: Domestic Policy Counsel - White House
CITY/STATE: _____
FAX NUMBER: 456-2878
FROM: Marian Wright Edelman
DEPT.: _____

IF YOU HAVE A TRANSMITTAL/RECEIVING PROBLEM, PLEASE CONTACT ME AT (202) 662- 3569 .

DATE: 4/6/94 **TIME:** 3:40 p.m.

NUMBER OF PAGES SENT (INCLUDING COVER SHEET): 6

COMMENTS: I wanted you to know that we sent the attached op-ed on welfare reform this morning to the New York Times for their consideration.

Oped Submission/Welfare Reform
from Marian Wright Edelman

Approximately 1500 words

Contact: Lynn Bowersox
CDF Director of Media Relations
202-662-3613

Our nation needs to tackle the challenges of serious welfare reform. Far too many of our children live in abject poverty, and far too many American families are hurt by policies inside and outside the welfare system that discourage work, undermine family stability, and increase child poverty.

But it's getting harder and harder not to be deeply concerned about the current welfare reform debate as it begins to resemble a political battlefield strewn with dangers for children. There are plenty of catchy phrases and simple-sounding prescriptions for change. Less apparent, however, is whether the Administration, the Republican "opposition," or the Congress can muster the courage and the resources to tackle the root causes of America's high and persistent child and family poverty.

Some of the proposals recently advanced under the guise of welfare reform are simply cruel and misguided:

- Charles Murray, a much-quoted welfare "expert," wants to bring back orphanages and abolish efforts to collect child support from deadbeat dads, two steps that would destroy families and eliminate already weakened messages of parental responsibility.

- More than 160 House Republicans are prepared to turn women and children out on the streets even when jobs or alternative means of support just aren't available, giving states the option to simply call "time's up," as though welfare families need nothing more than a deadline to achieve self-sufficiency.

- Politicians across the political spectrum appear ready to succumb to anti-immigrant sentiment by removing the safety net for millions of children and adults (many of them elderly or disabled) who are not citizens but who legally reside in the United States, despite the fact that many have worked and paid taxes for years.

-more-

Page 2 of 5

Even the Administration, while considering many positive steps, seems to be backing itself into an impossible choice: either pay for an adequately financed welfare reform effort through cuts in vital programs for poor families (including interventions designed to prevent homelessness and encourage relatives to care for children who otherwise might end up in foster care) or proceed with a grossly underfunded plan that could become a Trojan horse of punishment by driving poor parents off welfare when no jobs are available.

What next? With so little attention being paid to the need to get welfare recipients into real jobs and to protect the well-being of children, I begin to hear echoes of Jonathan Swift.

In the midst of the Irish potato famines of the early 1700s, Swift satirized the then-widespread resentment of the destitute by suggesting that poor parents could improve their lot if they would only sell their children to be eaten. Today, without tongue in cheek, we appear on the verge of debating whether it is acceptable to cut off aid to poor mothers who are willing to work but unable to find jobs and then to take their children away from them if they cannot find other means of support.

Where is our moral compass? It is both cruel and counterproductive to pit the interests of the parent against the interests of the child, and some cures are worse than the disease. We can never forget that two-thirds of welfare recipients are children. So let us set aside political gimmickry and take an honest look at the shortcomings of the current welfare system.

We have some big problems on our hands. At a time when jobs for low-skilled workers remain scarce in most poor communities, half of all mothers on welfare do not have a high school diploma. Everyone's hope is that many of the jobs needed to put welfare recipients to work will come from the private sector. Yet in March 8.5 million Americans were actively looking for, but unable to find, employment in the private or public sectors. An additional 5.5 million either accepted part-time jobs because full-time work was not available or had grown too discouraged to continue their search.

-more-

Page 3 of 5

Particularly in depressed rural and inner-city areas with high concentrations of poor families receiving welfare, the sobering reality is that many will find work only if public job creation programs give them a chance.

The dominant message of welfare now is one of hopelessness. That pattern won't change until we take teen pregnancy and welfare prevention as seriously as we take efforts to move current welfare recipients off the rolls. Young women in their teens and early twenties must not reach the conclusion that welfare is a permanent or inescapable future. Some will need a strong push to take responsibility for their children and do what they can to contribute to their support. Most will need only a glimmer of hope for a better life. No one wants that more than the millions of mothers who bounce back and forth between work and welfare because they are unable to secure family-sustaining jobs.

So creating jobs must be our first priority. Of course, able-bodied parents must work or participate in activities to prepare themselves to work, teaching their children by example the importance of getting up every morning to make a contribution to themselves, their families, and society. Yet as the President recognized when he first proposed a two-year time limit, we must have jobs for poor parents who need them. Murray, the House Republicans, and apparently even a few Administration officials seem to have lost sight of that fundamental truth.

There is so much important work that AFDC parents can do in their communities if federal and state governments join together to create real jobs for them. Head Start centers, immunization outreach efforts, summer feeding sites for low-income students, and after-school and other academic and cultural enrichment programs for children and young adolescents are just a few of the places where the energies and skills of parents receiving AFDC could be put to good use. Substantial new investments in public jobs can tap this potential and at the same time refocus our welfare system on work for those who are able.

-more-

Page 4 of 5

I want us to move parents off welfare and into jobs as quickly as possible. The proposed two-year time limit, however, largely misses the point. More than 70 percent of families on welfare already leave within two years, anxious to be disentangled from a humiliating system. For those who remain, the real choice is whether to find the money needed to create a true alternative to welfare, one that allows poor parents the dignity of paid employment and addresses the shortage of real jobs that now plagues our low-income communities.

Other steps also are essential if welfare reform is to succeed. Universal health insurance and quality child care are clear prerequisites: if we ask parents to jeopardize the health and well-being of their children while they search for a way back into the economic mainstream, we will surely fail. Allowing AFDC parents to keep a more reasonable portion of earnings (which they now lose almost dollar for dollar when they work) is long overdue. Expanded funding for education and training, tougher child support enforcement, and demonstration projects to test innovative child support assurance plans are needed to remove additional obstacles to self-sufficiency.

We cannot accept the status quo -- no jobs, low benefits, and a system that discourages work and family formation -- any more than we should allow ourselves to be paralyzed by partisan or ideological differences. Measures to prevent adolescent pregnancy, reward work, enforce parental responsibility, and provide child care help for low-income working parents who are teetering on the edge of the welfare system are neither liberal nor conservative, Democratic nor Republican. They are simply common sense and deserve bipartisan support.

But the true test of our resolve to "end welfare as we know it" will lie in the willingness of the Administration and the Congress to pay the unavoidable costs associated with fundamental change in a fair and equitable manner. Very few of the steps necessary to reform our welfare system can occur without new resources, and they must be raised sensibly -- not by slashing other investments in poor

-more-

Page 5 of 5

children and families but by scaling back tax breaks for wealthy individuals and corporations or trimming our still bloated defense budget. Fundamental change will be impossible if we merely reconfigure the current system to save money instead of people. In the long run, we would do neither, and the long-term costs to the nation would be enormous.

For most poor families welfare is not a way of life. The large majority of AFDC recipients who leave within two years demonstrate remarkable motivation, given that more than one-fourth of all AFDC mothers report having disabilities or caring for a disabled child and an estimated two in five have major child care problems. Unfortunately, many who leave AFDC eventually return to the rolls, pushed back by a job loss or a breakdown in child care arrangements or a need for health coverage in the face of a serious family illness. This pattern is a chilling reminder of poor parents' tenuous foothold in an anything-but-full-employment economy.

We can pretend that most parents on welfare aren't trying, aren't doing what they can or should to support themselves and care for their children. The tragic reality is that the charge of lack of effort may more aptly apply to us, particularly if we succumb to the temptations to wash our hands of the burdens that accompany our nation's deep and abiding commitment to hope, opportunity, and compassion for all.

-30-

The author, Marian Wright Edelman, is president and founder of the Children's Defense Fund. CDF is a Washington, D.C. based non-profit organization which provides a national voice for children who are too young to vote, lobby, or speak for themselves.

file: WELFARE
REFORM

FYI: ---Carol Rasco---

MEMORANDUM

To: Bruce Reed, Deputy Assistant to the President for Domestic Policy
Melissa Skolfield, Deputy Assistant Secretary for

From: Patricia Sosa, Director, Public Outreach, Welfare Reform Working Group

RE: Conversation Jody Raphael about 4/6/94 Washington Post article

Date: April 6, 1994

At Melissa's request, I spoke with Jody Raphael from the Chicago Commons Education and Training Center. Jody runs the program that was profiled in this morning's Washington Post article (P. 3).

Jody was quite upset about the article. She felt that Mr. Claiborn, who only met with them for three hours, misinterpreted their position. She confirmed that most of the recipients are quite supportive of a time limited welfare program. They feel that mandatory participation in the JOBS program has saved their lives and that simply staying at home can be very harmful.

They feel very strongly about providing education and training opportunities to welfare recipients. Many of the participants in the program came into the program with 6th grade reading levels and unable to find jobs that would help them support themselves and their children. They believe that by allowing welfare recipients to obtain their GED and other skills through education and training programs many women will be able to find jobs and stop depending on government subsidies. However they are concerned that the media coverage has not payed much attention to that aspect of the proposal. They would very much like to see state funding increase for these programs. They are also concerned with the rigidity of the two year program. Jody emphasized that the recipients, who are writing a set of recommendations for the Working Group, using the December options paper, are quite supportive of the thrust of the Administration's proposal.

cc: Jeremy Ben-Ami

103D CONGRESS
2D SESSION

S. 1891

To shift financial responsibility for providing welfare assistance to the States and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 7 (legislative day, FEBRUARY 22), 1994

Mrs. KASSEBAUM (for herself, Mr. BENNETT, Mr. BROWN, Mr. CRAIG, and Mr. DANFORTH) introduced the following bill; which was read twice and referred to the Committee on Finance:

A BILL

To shift financial responsibility for providing welfare assistance to the States, and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE:**

4 This Act may be cited as the "Welfare and Medicaid
5 Responsibility Exchange Act of 1994".

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Welfare and Medicaid Responsibility Exchange Act of 1994
by Senator Nancy Landon Kassebaum
March 7, 1994

Mr. President, later this year the Senate will take up the issue of welfare reform. I know this is a high priority to the chairman of the Finance Committee, Senator Moynihan, and many other members on both sides of the aisle.

While welfare reform has gotten much less attention than the current debate over health care, I believe the need to act on this issue is at least as important and as urgent. Today, I am introducing legislation to help address this concern.

Without question the current welfare system has helped feed, clothe, house, and educate millions of children. It also is without question that we have done so at an enormous price, not only in terms of money but in terms of creating a dependency that has led us in the wrong direction.

With the best of intentions, we have tried to protect children from material poverty. In the process, we have helped trap too many children in a different kind of poverty--where personal responsibility, individual initiative, and a sense of belonging to community have no real meaning.

The real tragedy of our present welfare system is not the questions it constantly raises about the misuse of taxpayers' money--important as that concern is--but that the present system is failing children and families. Welfare was never intended to become a way of life, but in too many cases that is the reality we now face.

After 60 years and hundreds of billions of dollars, federal welfare efforts still have not won the war on poverty. Today, one out of five children live in poverty. Five million families with ten million children receive welfare assistance. Each year, a half million children are born to unwed teenage mothers, the vast majority of whom will end up on welfare.

The trends are clear, and they are not good. They suggest we already have lost a large part of the present generation, and we will lose even more of the next. That is why I believe the stakes in welfare reform are extremely high. Our failure or success will determine, to a large extent, whether millions of children get a fighting chance to lead healthy, responsible, productive lives.

Unfortunately, the history of our repeated attempts to reform welfare demonstrate that good intentions never guarantee success. If we want to succeed this time, and I believe we must, then we must go beyond patchwork, piecemeal change and fundamentally rethink our approach to helping families with children.

For me, the first basic question to be addressed is not how to reform welfare, but who should do the reforming. I believe a critical flaw in the present system is not only a lack of personal responsibility--it is a lack of responsibility at every level of government.

Our largest welfare programs today are hybrids of state and federal funding and management. The states do most of the administration, within a basic framework of federal regulation, while the federal government provides

most of the money. The result is a hodgepodge of state and federal rules and regulations, conflicting eligibility and benefit standards, and constant push-and-pull between state and federal bureaucracies.

This may suit the needs of government bureaucracy. It clearly is not meeting the needs of children in poverty.

The first step toward real welfare reform, I believe, is to make a clearcut decision about who will run the plan, who will have the power to make key decisions, and who will be held responsible for the outcome.

The legislation we are introducing answers that question: It would give the states complete control and responsibility for Aid to Families with Dependent Children, the food stamp program, and the women, infants and children nutrition program. In order to free state funding to operate these programs, I would have the federal government assume a greater share--in some cases the states' full share--of the Medicaid program.

In budget terms, I am proposing a straight swap. The states assume all funding for welfare and the nutrition programs and pay for it with money they now send to Washington for the Medicaid program. The federal government keeps funding it now provides to the states for welfare and food programs and uses it to further reduce the state share for Medicaid. No state would lose money and neither would the federal government.

For example, in my state of Kansas, the state share of Medicaid this year will total almost \$390 million. Federal spending for AFDC, food stamps and WIC will total about \$267 million. Under this legislation, the state share of Medicaid would be reduced to about \$123 million. That would free up the \$267 million in state funds to take over the entire federal share of AFDC, food stamps and WIC.

Nationwide, state payments for Medicaid that now total about \$62.3 billion would be reduced to about \$21 billion. The balance would be kept by the states to take over the roughly \$41 billion that the federal government spends for welfare and the nutrition programs.

In terms of government responsibility, this approach would for the first time draw a clear line between the states and Washington. It would fix responsibility for welfare at the state level--with no federal strings attached.

It also would begin the process of making the federal government responsible for Medicaid--an issue we already must address in health care reform. The explosive growth in Medicaid costs is a major cause of budget problems at both the federal and state level. Clearly, we must overhaul this program, and I plan to introduce legislation soon to lay out my own views on Medicaid reform.

I believe the exchange of responsibilities proposed in this bill makes sense for two reasons.

First, giving states both the power and the responsibility for welfare--with their own money at stake--would create powerful incentives for finding more effective ways to assist families in

need. Nearly half the states already are experimenting with welfare reforms. This would give them broad freedom to test new ideas.

Second, I do not think Washington can reform welfare in any meaningful, lasting way. The reality is that we cannot write a single welfare plan that makes sense for five million families in 50 different and very diverse states.

Washington does not have a magic answer to the welfare problem. The governors and state legislatures have no magic solutions either, but they have the potentially critical advantage of being closer to the people involved, closer to the problems, and closer to the day-to-day realities of making welfare work.

In this case, I believe proximity does matter, perhaps powerfully so. One of the most important factors in whether families succeed or fail is their connection to a community, to a network of support.

For some families, this is found in relatives or friends. For others it might be a caring caseworker, a teacher or principal, a local church, a city or county official. These human connections are not something we can legislate, and they are not something that money can buy.

True welfare reform will require a renewal of local and state responsibilities for children and families in need. I believe that can only happen if the federal government steps aside and allows the states to get on with this work.

Mr. President, I ask unanimous consent that a summary of the bill and the text of the bill appear in the Record following my remarks.

BASIC INFORMATION ABOUT
THE KASSEBAUM SWAP PROPOSAL

WHAT IS BEING "SWAPPED:"

The basic purpose of the "swap" proposal is to transfer responsibility for welfare assistance programs to the states, while beginning the process of shifting responsibility for Medicaid to the federal government.

WHY THE SWAP IS THE BEST APPROACH TO WELFARE REFORM:

States are in a much better position than the federal government to make determinations about programs providing cash and noncash assistance for low-income individuals and families. In the past decade, most, if not all, of the innovation in the area of welfare reform has originated at the state and local levels. The number of waivers of federal mandates, regulations and rules being requested by states demonstrates a number of significant things:

There is a need to change the currently federally mandated system of welfare assistance because it is not working well.

Federal rules, regulations, and mandates have become a barrier to operating effective welfare assistance programs.

In the past decade, the momentum for restructuring the welfare system has been generated by the states--the innovations that are being discussed in Congress and by the administration are the result of state efforts to devise and operate more effective welfare systems.

States need the flexibility to adapt their basic assistance programs to better meet the needs of individuals and families in need of welfare assistance.

Economic conditions, employment, educational and training opportunities, and available support services vary widely among states--a "one-size-fits-all" federal welfare assistance program is not able to adapt readily either to this diversity of situations or changing conditions.

In contrast, the federal government is in a better position to devise and administer basic health care services for low-income individuals and families. As the health care reform debate has demonstrated, there is a need for the development of a broader view of health care financing and service provision--an appropriate role for the federal government.

KEY PROVISIONS OF THE "SWAP" PROPOSAL:

- The states will assume full fiscal and administrative responsibility for the Aid to Families with Dependent Children (AFDC), food stamp, and Nutritional Assistance for Women, Infants, and Children (WIC) programs.
- For five years, there will be a maintenance-of-effort requirement that funds currently obligated by states and the federal government for these programs be used to provide cash and noncash assistance for low-income individuals and families. States will have the responsibility and flexibility to design and operate assistance programs without federal rules, regulations, and mandates.
- In return, the states will receive a federal supplement to the state share of Medicaid expenditures equal to the amount currently spent by the federal government in a given state for AFDC, food stamps, and WIC (adjusted annually to account for changes in population and inflation).
- State Medicaid benefits and plan options will be frozen at the January 1, 1994, levels. In the process of redesigning state welfare systems, states may change Medicaid eligibility as long as the aggregate expenditures for the state do not grow faster than the projected costs for Medicaid under the current law.
- After five years, the federal government will assume responsibility for Medicaid (or its equivalent under a new national health care plan).

ST	Medicaid State Share 1994	AFDC 1994	Food Stamp Program 1994	WIC 1994	Medicaid - (AFDC+FSP+WIC)
AL	496,028,000	83,109,394	501,072,318	71,117,000	(159,270,712)
AK	127,480,000	62,106,365	53,930,360	10,698,000	745,275
AZ	561,553,000	196,232,543	433,217,573	59,910,000	(127,807,116)
AR	280,248,000	47,447,808	230,226,756	44,093,000	(41,519,564)
CA	8,106,973,000	3,138,454,180	2,383,573,707	385,760,000	2,199,185,113
CO	562,152,000	100,902,860	246,489,856	34,343,000	180,416,284
CT	1,169,094,000	200,241,366	162,316,932	41,522,000	765,013,702
DE	141,216,000	22,810,473	51,879,148	8,406,000	58,120,379
DC	331,973,000	67,497,817	91,765,506	10,112,000	162,597,677
FL	2,759,117,000	515,387,946	1,434,158,960	136,789,000	672,781,094
GA	1,196,057,000	299,014,716	726,666,754	105,205,000	65,170,530
GU	3,265,000	4,117,898	20,134,757	4,407,000	(25,394,655)
HI	240,870,000	76,179,538	142,104,169	19,924,000	2,662,293
ID	106,409,000	22,362,518	62,816,383	20,634,000	596,099
IL	2,577,265,000	470,670,185	1,141,965,464	132,974,000	831,655,351
IN	1,246,783,000	178,494,601	443,916,509	70,816,000	553,555,890
IA	403,073,000	112,964,096	159,768,255	31,426,000	98,914,649
KS	389,627,000	83,830,974	153,451,007	29,868,000	122,477,019
KY	567,845,000	170,288,835	462,339,685	61,968,000	(126,751,520)
LA	1,189,270,000	135,474,713	708,910,185	83,406,000	261,479,102
ME	333,149,000	75,912,184	121,629,486	15,603,000	120,004,330
MD	1,169,535,000	187,355,694	366,699,285	44,421,000	571,059,021
MA	2,257,484,000	409,618,332	358,125,142	55,007,000	1,434,733,526
MI	2,165,169,000	742,491,923	907,155,282	107,593,000	407,928,795
MN	1,123,929,000	247,909,622	263,434,572	46,072,000	566,512,806
MS	277,997,000	72,649,192	447,649,248	53,802,000	(296,103,440)
MO	969,665,000	183,211,175	517,917,671	66,638,000	201,898,154
MT	110,143,000	37,866,499	60,644,145	12,395,000	(762,644)
NE	254,845,000	56,480,146	88,686,882	18,846,000	90,831,972
NV	218,467,000	28,933,525	92,968,695	12,498,000	84,066,780
NH	469,725,000	29,899,689	50,451,268	11,302,000	378,072,043
NJ	2,512,671,000	356,204,375	535,153,839	73,384,000	1,547,928,786
NM	167,605,000	91,000,782	212,249,777	29,408,000	(165,053,559)
NY	11,671,460,000	1,635,945,100	1,978,040,977	248,959,000	7,808,514,923
NC	1,170,938,000	260,069,792	528,141,489	91,268,000	291,458,719
ND	76,991,000	22,352,465	40,241,397	11,164,000	3,233,138
OH	2,274,868,000	626,425,152	1,204,369,263	133,740,000	310,333,585
OK	312,354,000	143,755,609	322,588,775	50,064,000	(204,054,384)
OR	432,164,000	140,703,219	260,003,127	34,869,000	(3,411,346)
PA	3,081,206,000	545,182,143	1,077,272,223	133,530,000	1,325,221,634
PR	108,500,000	81,428,646	0	11,498,000	15,573,354
RI	360,163,000	72,488,392	80,877,781	12,615,000	194,181,827
SC	329,076,000	92,177,779	333,186,251	64,504,000	(160,792,030)
SD	91,284,000	18,491,010	48,068,465	14,175,000	10,549,525
TN	1,173,316,000	174,536,082	657,518,220	70,822,000	270,439,698
TX	2,985,841,000	379,095,548	2,439,266,641	280,620,000	(113,141,189)
UT	138,662,000	61,015,569	110,178,897	30,550,000	(63,082,466)
VT	112,742,000	40,791,796	43,818,976	10,136,000	17,995,228
VI	3,337,000	2,952,912	23,096,959	6,609,000	(29,321,871)
VA	977,626,000	130,107,102	487,117,037	66,494,000	293,907,861
WA	1,192,094,000	374,839,770	414,222,392	52,316,000	350,715,838
WV	307,478,000	97,381,077	275,728,184	29,384,000	(95,015,261)
WI	968,395,000	303,207,247	254,049,134	53,734,000	357,404,619
WY	53,260,000	19,936,306	29,483,438	7,889,000	(4,048,744)
=====					
	62,308,437,000	13,730,004,680	24,240,739,202	3,325,287,000	21,012,406,118

File: welfare reform

National Congress of American Indians

Est. 1944

*Carol,
FYI*

EXECUTIVE COMMITTEE

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galashkibos
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Rachel A. Joseph
Shoshone-Palute-Moro

March 29, 1994

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania, N.W.
Washington, D.C. 20500

Proposed Federal Tax on Gaming Revenue

Dear President Clinton:

On behalf of the 175 member tribes of the National Congress of American Indians ("NCAI"), the oldest and largest federation of Indian tribes in the United States, I am writing to express our objection to the proposal to levy a 4% federal tax on net gaming revenues as a way to help finance welfare reform.

The proposed tax, as we understand it, would be extended to all gaming establishments, including those established by Indian tribal governments, but would except state lotteries. American Indian tribes are sovereign entities, and our sovereignty and tribal governments must be respected. To subject tribes to any federal tax would be contrary to the well-founded federal policy of excluding tribes and tribal entities from federal tax.

Gaming is the single most significant generator of revenue in Indian country today, even though revenue from gaming represents only 4.5% of all such revenue generated in the United States. Gaming tribes depend upon the revenue derived from gaming activities to finance government operations, economic development on the reservation, and to provide for the general welfare of tribal members.

Further, Indian people are shouldering a great burden for federal budget deficits. The Indian Health Service, for instance, is slated for a quarter of a billion dollar budget cut, plus hundreds of personnel reductions.

The Honorable William J. Clinton

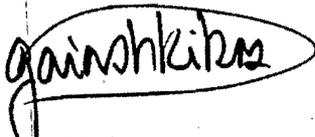
March 29, 1994

Page Two

Gaming revenue can soften the impact federal budget cuts have in Indian country. The imposition of a federal tax on scarce tribal revenue would frustrate tribal efforts to finance basic services to their people. Because of increased revenue, gaming tribes report significant reductions in the numbers of welfare recipients among their members. A gaming tax would thwart this very positive trend in Indian country, and have the opposite effect of putting more people onto the welfare rolls than existed before.

For these reasons we ask that the Administration respect our tribal sovereignty in making the very difficult decisions in determining methods of financing welfare reform and other federal programs. Your thoughtful consideration of the issues concerning Indian country is very much appreciated.

Sincerely,

A handwritten signature in cursive script, enclosed in an oval. The signature appears to read "Galashkibos".

Galashkibos
President

cc: The Honorable Lloyd Bentsen
The Honorable Leon Panetta
The Honorable Donna Shalala
The Honorable Robert Reich
The Honorable Bruce Reed
The Honorable David Ellwood
The Honorable Mary-Joe Bane
The Honorable Mike Schmidt

APR 6 REC'D

ARVAC, INCORPORATED

FACSIMILE TRANSMISSION REQUEST

Date: APR 6 '94 Number of Pages: Cover Page + 6

TO: CAROL RASCO

Fax Number: 202-456-2878

FROM: Bob Adkison

Telephone Number: (501) 229-4861

ARVAC, Incorporated
615 N. 5th Street
P. O. Box 808
Dardanelle, AR 72834

Fax Number: (501) 229-4863

COMMENTS:

CAROL,

THANKS AGAIN FOR THE PHONE CONVERSATION.

ATTACHED IS THE WELFARE REFORM ANALYSIS.

(POVERTY DATA: YR. 1992)

BAW

ALSO, FYI COPY OF NCAF LTR. RE: FEAR + DAVE BRADLEY

WELFARE REFORM ANALYSIS

The following listed statistics and comments are the result of research efforts in the ARVAC, Inc. area of Conway, Franklin, Johnson, Logan, Perry, Polk, Pope, Scott, and Yell counties.

GENERAL CLIENT CHARACTERISTICS

1. Average Family Size. 3
2. Makeup - Single Parent (Female) - 2 Children. 95%
3. Average Age: 28-34 Average Education Level Attained: 8-10

DIRECT ASSISTANCE RECEIVED

(Annual amounts in dollars)

- | | | |
|----|--|------------------|
| 1. | Cash Payments - (\$180 per mo. average) - annual - | **\$ 2,160 |
| 2. | Other Direct Non-cash - | |
| | a. Medical | 4,548 |
| | b. Housing | 2,000 |
| | c. Food Stamps | 1,620 |
| | d. Supplemental Food | 250 |
| | e. Utility Assistance. | 1,000 |
| | f. Other - Emergency | 425 |
| | TOTAL (Average Annual Assistance Received) | \$ 12,003 |

OTHER

It should be noted that the above listed assistance resources are administered by a multi-agency provider system. Due to minor variations in some of the organizations' reporting methods and systems, one hundred percent validity could not be attained. However, all sources were generally similar to the extent that the statistical information contained in this report can be considered 95% accurate.

** All annual amounts are direct reports or combined averages as computed from information provided by:

- a. The Department of Human Services
- b. Local Housing Authorities
- c. HUD Agency
- d. ARVAC, Incorporated
- e. Universal Housing
- f. Area Ministerial Alliances
- g. Red Cross - Salvation Army

EMPLOYMENT AND ECONOMIC FACTORS

The applicable minimum wage at the present time is \$ 4.25 per hour. A sampling of a cross section of area employers, along with information provided by the E.S.D. and other private employment organizations indicated that the average is \$ 4.90 - \$ 5.05 per hour.

The Federal Poverty Guideline for a family of three is \$10,560. The family wage earner will need to earn a wage of at least \$ 5.08 per hour to equal this amount.
(\$5.08 x 2,080 average hours worked per year - \$10,560 approx.)

If a wage earner worked a full year at the present Federal Minimum Wage of \$4.25 per hour, they would be well below the poverty guideline for a family of three as shown in the following calculations:

Poverty Guideline - (3 in family)	\$10,560
Yearly Earnings @ \$4.25 per hr. x 2,080	<u>8,840</u>
Income Deficit	(\$1,720)

If these circumstances were to apply to a two parent family (A.F.D.C. - U.P.), it would require that both parents work in order to escape poverty.

A comparative match of the value of the average annual benefits received versus earnings required to equalize or overcome shows that:

- a: The primary wage earner in a family of three would need to earn a wage of approximately \$6.26 per hour in order to equal the amount of assistance received.
(\$6.26 x 2,080 = \$13,020 - \$996 FICA deducted = \$12,024)

There are also other factors that must be considered such as employment related expenses which are a reality in any full-time work situation.

A typical welfare family wage earner (single - female) could expect to have minimum employment costs in two basic areas as follows:

- 1. Child care - \$2,000 - (\$40 per week) - 50 weeks
- 2. Transportation - \$1,300 - (\$25 per week) - 52 weeks

As stated, these costs are for the very basic employment expenses and do not address other incidental items that might occur.

This amount (\$3,300) when added to the basic average annual assistance received comes to a total of \$15,303.00 (\$12,003 plus \$3,300 = \$15,303).

It would require an hourly wage of approximately \$7.35 per hour. When required employee payroll taxes are factored in, the actual amount of spendable income is less than the assistance benefits received.

EXAMPLE I.

Annual wage - \$15,303 x 7.65% required F.I.C.A. = \$1,170.60
 (1,171) F.I.C.A. (Social Security)
 (2,000) Childcare
 (1,300) Transportation

Spendable Income \$10,832 From Employment.

EMPLOYMENT FACTS

1. What is job placement by E.S.D. standard?

Must work five (5) consecutive days at an hourly rate of at least the minimum wage. No required amount of hours.

2. Approximately 40-50% of the production work force at three major employers in the area work less than 40 hours a week - 2,080 hrs. a year.

(40 hr. wk) Full time	-2,080 hrs. x \$4.25 per hr. (Min)	= \$8,840
(30 hr. wk) Part time	-1,560 hrs. x \$5.25 per hr.	= \$8,190
(24 hr. wk) Part time	-1,248 hrs. x \$6.00 per hr.	= \$7,488

WELFARE REFORM ANALYSIS
SUMMARY

The primary goal of Welfare Reform is to make able A.F.D.C. Public Assistance Recipients self-supporting and welfare independent on a sustained long term basis.

The most desired method for achieving this goal would be for the recipient to earn income through employment, that at a minimum, would equal and progressively surpass assistance benefits received.

The employment and economic factors alone, as outlined in this report would appear to indicate that any success in achieving the goal of self-sufficiency will be extremely limited. Additional adverse elements such as the shrinking job market, deficient job skills, and lack of motivation on the part of the client, appear to make the task impossible.

Unless there are some unforeseen positive economic and social changes that occur in the immediate future, this negative environment could be long term or lengthy to the extent that the economy improves and various elements of the labor market improve and mature. (i.e. more job opportunities and better wages in the service industry jobs.)

Whatever the eventual time frame is, these circumstances will severely hinder the effort to phase Public Assistance clients into jobs and make them welfare independent through gainful employment. A system should be developed that would let the client be employed in a labor market that is presently inadequate in terms of opportunity and earning potential.

One suggested course of action to take in addressing this situation would be legislation that would implement changes in the present laws and regulations governing welfare. The current laws and regulations have a string dis-incentive effect in that they tend to lock the client into their circumstances by providing a meager subsistence and stifling any positive hope or self-initiative the client may need to develop. Due to the always present threat of sanctions or loss of assistance if any resources are obtained through individual initiatives, the client tends to develop unstable habits and regresses to an unproductive life style that they feel is expected from them in order to continue receiving assistance.

Welfare clients will usually leave the public assistance programs through an improved personal life situation due to positive motivation and self-initiative or be removed due to structural ineligibility and the sanction process.

The initial voluntary method is the most desirable in reducing welfare dependency because the other reasons usually result in short term removal and a high number of chronic returnees.

Therefore, it would seem that the self-initiative concept should be cultivated because, in the final analysis the client must make the greatest effort in attaining welfare independence.

Client motivation and self-initiative could be improved by the establishment of an assistance system where by the client would have the responsibility of monetarily contributing to the family budget through employment. Earnings from this employment would be counted against the cash assistance grant received, resulting in a decreased payment or total elimination, if warranted. Other basic non-cash assistance, such as medical, housing, food, utility would not be affected for a period of 12-18 months. Limited incentives in the form of employment related expenses might be awarded.

Positive results that would possibly be achieved in this system would be:

- a. Reduced or eliminated cash assistance payments.
- b. Involving the client in a productive lifestyle of being employed and making a contribution.
- c. Getting the client to become an employee and attaining eligibility for the traditional employee support systems (unemployment insurance - social security benefits).
- d. Allowing self-initiative and hope to develop by eliminating the constant threat to basic necessities.
- e. Provide a basic foundation for achieving long-term welfare independence.

NATIONAL COMMUNITY ACTION FOUNDATION

2100 M STREET, N.W.
SUITE 604
WASHINGTON, D.C. 20037

Tel (202) 775-0223
Fax (202) 775-0225

March 23, 1994

Mr. James L. Witt, Director
Federal Emergency Management Agency
500 C Street, S.W. Room 828
Washington, D.C. 20472

Dear Mr. Witt:

As President of the National Community Action Foundation, I am writing to you on behalf of nearly 1000 Community Action Agencies nationwide to recommend David A. Bradley, Executive Director of the Foundation, for a position on the National Board of FEMA's Emergency Food and Shelter Program.

I am writing this letter of recommendation at the suggestion of Mr. Bob Adkison, Executive Director of the Arkansas River Valley Area Council. I understand that Bob met with you last week while he was in Washington for the National Community Action Foundation's annual legislative conference and that he had a very positive discussion with you regarding Community Action Agency representation on the FEMA National Board.

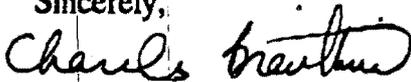
As you know, Community Action Agencies are widely involved in the administration of the FEMA Emergency Food and Shelter Program. In addition CAAs have also become increasingly involved in providing relief to victims of natural disasters, especially the low-income victims who tend to be the hardest hit. CAAs were centrally involved in providing assistance to victims of the midwest floods last year and the Los Angeles earthquake earlier this year.

As the Executive Director of the National Community Action Foundation, David Bradley has represented the interests of Community Action Agencies in Washington, D.C. since 1981. David has developed several legislative initiatives, including the Community Services Block Grant Act and the Stewart B. McKinney Emergency Community Services Homeless Grant Program. He works closely with Congress and other federal agencies to further the interests of the Community Action Program.

Given the extensive involvement of Community Action Agencies in the FEMA Emergency Food and Shelter Program, and their history of involvement in other human service programs, we think that a Community Action representative is an appropriate addition to the National Board. I strongly believe that David Bradley's experience, skill and vision would be of great value to the National Board Program.

Thank you for assistance and consideration.

Sincerely,



Charles Braithwait
President

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

file: WELFARE
REFORM

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Reed

Draft response for POTUS
and forward to CHR by: _____

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

Please advise by: _____

Let's discuss:

For your information: _____

Reply using form code: _____

File: _____

Send copy to (original to CHR):

Schedule ? : Accept Pending Regret

Designee to attend: _____

Remarks: _____

APR 1 REC'D

THE WHITE HOUSE
WASHINGTON

March 30, 1994

MEMORANDUM TO CAROL RASCO

FROM: ELI J. SEGAL *ES*

SUBJECT: USE OF "COMMUNITY SERVICE" LANGUAGE IN WELFARE REFORM PROPOSAL

I enclose for your review the memorandum I have sent to the Co-Chairs of the Working Group on Welfare Reform concerning the use of the term "community service" in the draft proposal and prospective legislation.

The use of the term to describe the mandated, subsidized employment requirements of the proposed WORK program is problematic in that it needlessly associates such employment programs with the President's national service initiative, AmeriCorps, complicating (and distorting) the message the Administration will send to young Americans about the role and value of service in society.

I am recommending that any reference to "service" (in the context of the WORK requirements) be dropped in exchange for "community jobs" or "subsidized jobs in community-based organizations." I would appreciate any help you can give us to help minimize the unnecessary confusion between these two Presidential initiatives.

Carol

Paul Diamond was been extraordinary on this from the beginning. You might want to share this memo with him.

Best regards,
ES

THE WHITE HOUSE

WASHINGTON

March 30, 1994

MEMORANDUM FOR BRUCE REED
DAVID ELLWOOD
MARY JO BANE

FROM: ELIJ. SEGAL *ES*

SUBJECT: USE OF "COMMUNITY SERVICE" IN WELFARE REFORM
DRAFT PROPOSAL

The Corporation for National Service is supportive of the Working Group in its efforts to transform the Nation's welfare system, and we are appreciative of the role we have been afforded in the process thus far. I am particularly hopeful that AmeriCorps, the President's national service initiative, can help play a part in the prevention strategy, especially as it relates to the prevention of teen pregnancy. My staff will be working closely with you on that front.

As you now move to the stage of drafting legislation and packaging the reform proposal for submission to Congress, I wanted to again express my concern about the use of the term "community service" in describing the mandatory, subsidized employment requirements for welfare recipients who reach their time limit on AFDC (i.e., the WORK program). The draft proposal of February 26th notes that the proposed reform plan "limits cash assistance to two years, and then requires work, preferably in the private sector, *but in community service jobs if necessary.*" And later, it notes that a major theme for the proposal is "work for those who exhaust their time limit," whereby those who are unable to find work at the end of two years "will be required to work in a private sector, *community service* or public sector job." I recommend that all references to community service (as related to the WORK program) be dropped from the proposal (and any potential draft legislation) and that "community jobs" or "subsidized jobs in community-based organizations" be used instead.

This recommendation is more than cosmetic. Already we have received calls from the press who, having obtained copies of the draft proposal, want to know whether the President's national service program will be serving as the principal placement mechanism for welfare recipients who reach their time limit. Clearly, the connection is already being made (and the potential for further connection is greatly enhanced as the proposal will likely be debated in Congress precisely during the launch period of AmeriCorps). Thus, from both a policy and message

standpoint, the Administration should clearly distinguish between mandated work assignments (even if in the public interest) and non-compulsory national and community service. The one carries a punitive message, while the other embodies the core values of this presidency, which rests on the basic themes of opportunity, responsibility, and community.

That said, I believe that AmeriCorps can provide placements for a *limited* number of WORK participants without undermining the diversity of the AmeriCorps program that is its strength. For example, a state welfare agency could contract with one of our state commissions on national service to sponsor "demonstration programs" to enroll perhaps up to 10% of WORK participants in approved AmeriCorps programs. From my perspective, however, it is important that other WORK assignments *not* be confused with AmeriCorps. The adoption of my recommendation on language should help to clarify this distinction. Your cooperation in this matter is therefore greatly appreciated.

Let me reiterate our support of the welfare reform plan in general and indicate our enthusiasm in working with you on the prevention strategy.

APR 5 REC'D

FACSIMILE COVER SHEET

TO: Carol Russo DATE: 4/4/94
c/o Rosalyn

OF PAGES (Including this sheet): 6 FAX #: 202-456-2461

FROM: Sarah Shuptrine FAX #: (803) 254-6301

ADDITIONAL INFORMATION: _____

*This is info for the
Charlotte Town Meeting.*

Please call (803) 779-2607 if you do not receive all the pages.



The Southern Institute on Children and Families

2725 Devine Street
Columbia, South Carolina 29205
(803) 779-2607

MEMORANDUM

Board of Directors

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Candis Brown Penn
William A. Prince
Bryan P. Sperry

TO: Carol Rasco
FROM: Sarah Shuptrine
DATE: April 4, 1994
RE: Report on Welfare Dependency Study in Charlotte

I spoke with Rosalyn by telephone this morning regarding the report on welfare dependency released at a news conference in Charlotte last week by the Southern Institute on Children and Families.

In October 1993, we conducted personal interviews with 33 recipients of AFDC and Transitional Medicaid in Charlotte and the report is replete with quotes from them as well as the professionals who work to prepare them for employment. We also interviewed 36 recipients in Nashville.

A number of news articles have been written on the report by the North Carolina papers and it has had extensive radio coverage. The Charlotte Observer editorial is attached. The press may ask President Clinton about the findings of our report. Also, it was my feeling that he would want to be aware of the report's findings.

The attached "op ed" piece is the most succinct write up on the study. I added some background at the beginning. The Conclusion of the report contains a more in-depth discussion of the findings and recommendations. If you can't locate your copy of the report and you need me to FAX the Executive Summary or the Conclusion, please let me know.

Please call me if you need additional information. The office number is 803-779-2607 and home is P6/(b)(6)

12A THE CHARLOTTE OBSERVER Friday, April 1, 1994

The Charlotte Observer

ROLFE NEILL, Chairman and Publisher

JENNIE BUCKNER, Editor JOHN LUBY, General Manager

GENE WILLIAMS, Executive Vice President

ED WILLIAMS, Editor of the Editorial Pages FRANK BARROWS, Managing Editor

TOM BRADBURY, JACK BETTS, Associate Editors

Editorials

Why mentors matter.

■ Study finds that welfare recipients need support to overcome peer pressure and succeed. Students, too, need help.

Be all you can be, says the Army ad, building on the best of the American dream of individual achievement and upward mobility.

But the reality is not always so grand. Young people in particular sometimes find themselves pressured not to go beyond their peers academically, not to rise above the group. There was the science fair winner who avoided talking about his passion, lest he be picked on as a nerd. There are the black students who fear being isolated in classes for high-achievers, and cut off from their friends. There is the open hostility of the bumper sticker: "My kid beat up your honor roll student."

Peer pressure matters. How much it matters was illustrated here Monday in a report based on interviews with welfare recipients and those who work with them. The report, from the Southern Institute on Children and Families in Columbia, talked about how poor information and the fear of losing benefits discourage the move from welfare to work. And then it talked about something else:

"Staff and advocates often referred to situations where welfare recipients were held back by persons who were close to them. They face ridicule from relatives, friends and boyfriends if they go back to school or take advantage of special courses designed to build confidence and skills. Some told of situations where boyfriends showed up during classes and threatened recipients if they continued to take classes."

The report talked about the importance of building self-esteem to give recipients the

confidence to risk changes. And it offered some practical explanations for the contrary pressures: Families worry about the welfare check, boyfriends and relatives don't like the newly assertive and independent women.

Some of the resistance to achievement can be explained by simple envy. And students who complain about the bright youngster who ruins the curve have their own grades at stake. The hostility of the bumper sticker is directed not just at achievement, but at the spotlight of the honor roll. But envy is not all of it. It is hard to imagine a similarly hostile bumper sticker scolding, say, winners of sports letters.

American life harbors a strong strain of anti-intellectualism, and a false egalitarianism hostile to achievement. It is not the official ideology, but it can be the reality in the peer group.

Many students shake it off, bolstered by strong families and friends who share their ambition. But there is often less natural support for welfare recipients and students from disadvantaged homes.

Among other things, the report recommended case management to help families making the transition from welfare. And some of the most hopeful stories from schools tell of students blossoming with support from counselors, teachers and other mentors.

Such mentors and role models can make a difference. But the pressures from the culture aren't a sometime thing, and neither should the support we provide for people daring to be all they can be. If we really value achievement, we need to support it.

Poor Information, Limited Transitional Benefits Prolong Welfare Dependency

Note: The Southern Institute on Children and Families conducted an exploratory study in Charlotte and Nashville to examine the impact of the potential or actual loss of Medicaid on welfare dependency. In this context, other needs such as child care, housing and transportation were also examined. During the fall of 1993, interviews were conducted with 33 recipients in Charlotte and 36 recipients in Nashville. The report entitled *A Study of the Relationship of Health Coverage to Welfare Dependency* was released at a news conference in Charlotte on March 28, 1994. The following is an op ed piece written by the President of the Southern Institute on Children and Families, Sarah Shuptrine.

Many people believe that welfare recipients do not work because they do not want to work. The information gathered during a recent study strongly refutes that view. Armed with accurate information on benefits for working families, and given some assistance with the high cost of child care and health care, the study's findings indicate that more recipients would be willing to leave the security of welfare to face the risks of the workplace. The following quotes from welfare recipients were typical:

Give people incentives. Don't take everything away once they get a job because it makes the struggle that much harder.

I could keep a job if I had child care for my children.

Help me out—I am trying. Medicaid is the biggest thing, especially if you have small children.

When you work, they take everything away....It gets real frustrating at times.

While health coverage was a major concern, recipients said assistance with child care is essential to their ability to leave welfare for work.

Study recipients provided evidence that minimum wage jobs without health coverage will not draw many families off welfare. Eighty percent (80%) of the recipients responded "Not Likely" when asked if they would accept a minimum wage job without health benefits for them and their children. Only 17% responded "Not Likely" when asked if they would accept a minimum wage job with health coverage for them and their children.

When asked for suggestions on improving the welfare system to better support a parent's decision to go to work, over two thirds said that benefits should be gradually reduced rather than eliminated to give families a better chance to get off and stay off welfare. Forty three percent (43%) said job training, job placement and classes to help build self esteem are needed.

Self esteem turned out to be a potentially significant factor in helping recipients to move from welfare to work. Professionals reported that it was not uncommon for recipients to receive little or no support from their family, friends and boyfriends when they take actions to become self sufficient. Some even face ridicule and hostility from those closest to them.

A disturbing finding is that far too many recipients and persons who work with them have an inadequate understanding of eligibility rules related to working families, particularly Medicaid eligibility rules.

- 41% of AFDC recipients and 23% of Transitional Medicaid recipients did not know that it is possible for a parent to work full time and still get Medicaid for her children.
- 62% of AFDC recipients and 37% of Transitional Medicaid recipients did not know that children can be eligible for Medicaid if their parents are married and living together.

Public and private sector staff, advocates and employers in the community discussion sessions were also unaware of Medicaid eligibility rules applying to children in working families. This lack of information serves as a work disincentive.

An additional obstacle to moving families from welfare to work is the slow pace at which some states have implemented the 1988 Family Support Act JOBS program. For example, in FY 1992, South Carolina matched only 56% of the available federal funding for job training and other programs to help welfare recipients build skills.

What can be done? State and local social service agencies should establish aggressive information outreach initiatives, the President and Congress should simplify the federal eligibility rules, Governors and state legislators should move quickly to fully implement the 1988 Family Support Act JOBS program, public and private sector leaders should establish policies to assist low income working families with child care and health coverage (based on a sliding scale), and state and federal officials should make self esteem initiatives central to welfare reform.

Special counsel called as 'honest as they come'

By Sam Vincent Meddis
USA TODAY

Wall Street lawyer Robert Fiske Jr. Thursday accepted what could be Washington's most thankless job.

As special counsel in the Whitewater case, Fiske will likely face political heat whatever the findings of his investigation into President Clinton's Arkansas land dealings.

But those who know Fiske, former U.S. attorney in Manhattan, say an irreproachable reputation for integrity should help stem any questions about his probe's outcome.

"This guy is just... as honest as they come," says Nick Akerman, a former Watergate prosecutor who later served as assistant U.S. attorney under Fiske. "If he says there's nothing there, then you can believe there's nothing there."

Fiske, at a press conference, pledged a "complete, thorough and impartial investigation" that would likely include taking sworn testimony from Clinton and Hillary Rodham Clinton, who have denied any wrongdoing.

Attorney General Janet Reno, directed by Clinton to appoint an independent counsel after intense political pres-

sure last week, said she chose Fiske because he "exemplifies public service at its best."

Fiske, 63, has served under both Democratic and Republican administrations. He was appointed U.S. attorney for the prestigious Southern District of New York by President Ford in 1976, but was kept in office until 1980 by President Carter.

Senate Minority Leader Robert Dole, R-Kan., who had called for a special counsel for Whitewater, took a wait-and-see attitude on Fiske.

"People who know him think he is extremely well-qualified, is independent," Dole said, but noted that Fiske has rubbed some conservative Republicans the wrong way.

Fiske's chance to become deputy attorney general during the Bush administration was derailed after conservative complaints about Fiske's involvement in the American Bar Association's screening of potential judges. Fiske was accused of hurting Reagan administration judicial nominees by sharing their names with liberal groups.

GOP National Committee Chairman Haley Barbour says he doesn't know Fiske, but is willing to "give him the benefit of a doubt."

So, in effect, Reno got a person with the presumed independence that a Republican label imparts, but also with no apparent political ax to grind.

Fiske's appointment comes only two days after special counsel Lawrence Walsh issued a final report on his probe of the Reagan administration's Iran-contra scandal.

Fiske's first brush with special investigations came when he helped Walsh, a former law partner, pick a staff to probe the Iran-contra matter.

Walsh says the Whitewater case appears far less complicated. "I don't get the sense that Whitewater is that complex or all that big a deal," Walsh told Reuters Thursday.

Though he said he couldn't set a deadline, Fiske promised to conclude his probe as quickly as possible. But he added that his investigative task is quite broad: to see "whether any individual or entity" violated federal laws in dealings with the Whitewater Development Co. and the Madison Guaranty Savings & Loan.

The probe also will focus on the July suicide of White House deputy counsel Vincent Foster. Among items found in his office was a file on Clinton's Whitewater investment.

Arkansas governor served with subpoena

By Dennis Cauchon
USA TODAY

LITTLE ROCK — Gov. Jim Guy Tucker said Thursday a federal grand jury has issued 83 subpoenas for documents related to Whitewater Development Co., including one to him.

Tucker did business with James McDougal, owner of a failed savings and loan and partner with Bill and Hillary Rodham Clinton in Whitewater. McDougal was to go before the grand jury Thursday, but his appearance was postponed until Feb. 17 to give him time to gather records, said Sam Heuer, his lawyer.

But newly named special counsel Robert Fiske Jr. said he asked that McDougal's appearance be delayed while he hires a staff. Donald Mackay, a Justice Department investigator who had been handling the case, withdrew his request for a special Whitewater grand jury.

FBI agents have spent the last month conducting interviews and collecting documents on Whitewater, including 2,600 pages at the Arkansas Securities Commission. The files include a "Dear Hillary" letter written by a state savings and loan regulator about McDougal's S&L.

Tax bill is 19 months overdue

Whitewater has made President Clinton a tax deadbeat in his home state.

Whitewater is 19 months late in paying Arkansas' annual corporate tax, according to the secretary of State's office. The tax, due June 1, 1992, totals \$300 with penalty and interest.

The Clintons owned 50% of Whitewater until December 1992, when they sold to partner James McDougal for \$1,000. The Clintons "would not be responsible for the taxes," said White House adviser Bruce Lindsey.

Rates boost housing starts to 4-year high

Beth Belton
USA TODAY

Pent-up demand and the lowest mortgage rates in decades boosted 1993 housing starts to a four-year high.

And don't expect rising interest rates from an improved economy to stifle the housing boom until 1995, experts say.

Single-family housing starts jumped 7.5% last year to an annual rate of 1.29 million, the Commerce Department said Thursday. It was the second straight annual increase after five straight years of declines.

"This is not an aberration. Strong housing starts are part of a fundamental strengthening of the economy that will continue through 1994," says Robert Davis, chief economist at Savings & Community Bankers of America trade group.

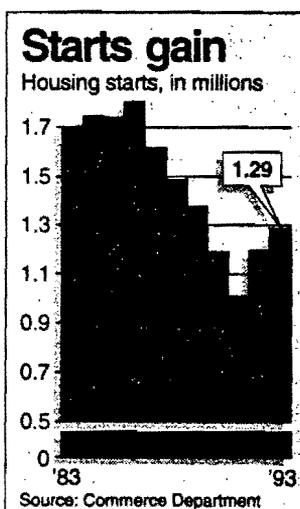
The housing report said:
▶ Starts rose 6.2% last month over November, the fifth straight monthly increase.

▶ Single-family starts climbed 3.5% in December to 1.3 million, the best showing since February 1984.

▶ Starts of apartments and condominiums jumped 27.3%.

Starts began to recover in 1992, when they rocketed 18.8%. That has been a boon to the economy because home buyers usually buy an average \$5,000 in new furniture, refrigerators and other housewares.

Davis thinks demand will remain strong although the average 30-year fixed mortgage



rate could climb to 7½% this year. The average rose to 7.05% this week, up from 6.99% last week, the Federal Home Loan Mortgage Corp. said Thursday. The rate hit a 25-year low, 6.74%, in October.

"Higher rates won't be enough to stop this. People want new houses, they want to move up, switch," Davis says.

Housing starts this year will rise to an annual rate of 1.54 million, Davis predicts. James Padinha, economist at First Interstate Bancorp., is less bullish. He projects 1.3 million.

"We're expecting another very strong year," says home builder Donald Neuerman. Sales at his SilverLakes Partnership in Pembroke Pines, Fla., rose 48% in 1993.

Insurers enduring blizzard of claims

By Anne Willette
USA TODAY

Insurers, already staggering from the Los Angeles earthquake, are being flooded with claims for burst pipes, leaky roofs and damaged gutters caused by frigid temperatures.

More claims are expected from the cold than the quake, but damage costs in California might be greater. "It's straining our claims department," says Steve Wasdick of Aetna.

The '94 freeze will go into record books as a catastrophe in at least 20 states, from Illinois to South Carolina to Maine. That means at least 1,000 claims have been filed in each state and property damage will top \$5 million in the area. State Farm, USA's largest home insurer, has received 9,600 claims. Allstate reports 8,400.

Damage costs are unknown. Insurers expect more claims once the weather warms and homeowners find broken pipes and leaking roofs. Two winter storms have cracked the top 10 for insured losses:

▶ \$1.8 billion for a 24-state storm in March 1993.

▶ \$880 million for wind, snow and freezing in 41 states in December 1983.

Ruptured pipes are common, especially in the South where plumbing isn't insulated to withstand sustained cold. Water trapped in pipes freezes and expands, so pipes burst.

Repair costs: A few hundred dollars if a pipe is exposed in a basement to thousands of dollars if it's behind a second-story wall. Then, drywall, floors and ceilings can be soaked. "Although it's very silent and doesn't threaten anyone personally, it economically is a big, big problem," State Farm's Jerry Parsons says.

In three Ohio homes this month, frozen pipes led to major fires when owners used blow torches to thaw them. A hair dryer is safer, a plumber even better. To prevent freezing, homeowners should:

▶ Open kitchen, bathroom cabinets to help heat pipes.

▶ Keep faucets slightly open to relieve pressure.

77

Nunn, Rudman reject top Defense job

President Clinton and White House aides are reviewing a list of five to 10 candidates for Defense secretary, with no clear front-runner, after Senate Armed Services Chairman Sam Nunn, D-Ga., rejected the job.

The selection was not expected this week, although an urgent search was under way for Les Aspin's replacement. Clinton's first choice, Bobby Inman, embarrassed the White House with an abrupt withdrawal and incendiary charges about a conspiracy against him.

The most mentioned prospects: Deputy Defense Secretary William Perry; Norman Augustine, chairman of Martin Marietta Corp., a defense contractor; John Young, former head of Hewlett-Packard Co., another contractor; CIA Director James Woolsey. Former New Hampshire Republican senator Warren Rudman, who had been included on many such lists, has withdrawn his name.



USA TODAY
WALDHEIM: Linked to Nazi atrocities

WALDHEIM'S PAST: The Justice Department may soon release parts of a secret file on former Austrian president Kurt Waldheim's Nazi past, which led to his being barred from entering the USA, Reuters reported. The file contains a chronology of Waldheim's World War II activities and documents his proximity to and involvement in Nazi atrocities in the Balkans. Waldheim, who served two terms as United Nations secretary-general before his 1986 election as Austrian president, admits

covering up his army record but has consistently denied knowledge of, or participation in, war crimes. A U.S. probe of his record concluded Waldheim had "assisted or otherwise participated in Nazi-sponsored acts of persecution because of race, religion, national origin or political opinion."

WELFARE STUDY: The Department of Health and Human Services will underwrite experiments in four states designed to help former welfare recipients stay on the job — a step toward President Clinton's goal of overhauling the welfare system. More than half of all single mothers applying for welfare leave the system within a year. By the end of two years, the number who leave increases to 70%, the HHS said. But up to 70% eventually return to the rolls.

HHS Secretary Donna Shalala was scheduled today to announce projects in Riverside County, Calif.; Chicago; Portland, Ore.; and San Antonio. Shalala said welfare-reform efforts previously have focused on helping people find jobs. "Helping them to keep the jobs is equally important," she said.

Bruce & Kathi: What is this?

FRIDAY, JANUARY 21, 1994 • USA TODAY

GOP glee in '93; 'even more in '94'

By Richard Benedetto
USA TODAY

To hear Republican National Committee Chairman Haley Barbour tell it, President Clinton's rookie year was the biggest boon to the GOP since the 1976 election of Jimmy Carter.

Ticking off a litany of Republican election victories in 1993, and wearing a button that said "Even More in '94," Barbour Thursday laid much credit for GOP successes squarely

on Clinton's doorstep.

"His (tax-and-spend) proposals remind people of what they like about the Republicans," Barbour said in his assessment of Clinton's first year in office.

He dismissed the latest polls, showing Clinton with a thin majority approving of the job he's doing, saying the president is profiting from an improving economy and an ability to dominate media coverage while Congress is in recess.

"He's a tremendous per-

Another key reformist quits Yeltsin's Cabinet

After days of threats amid a growing crisis for President Boris Yeltsin, Finance Minister Boris Fyodorov, a reformist, said Thursday he would not be part of Russia's Cabinet.

The core of the new Cabinet appointed by Yeltsin and Prime Minister Viktor Chernomyrdin is dominated by conservatives opposed to rapid economic reforms. "The period of market romanticism has ended for us," said Chernomyrdin. He said he would correct government policies that had emphasized "restraining hyperinflation to restraining the hyper-fall in production." Meanwhile, the ruble recovered somewhat after hitting record lows every day this week.



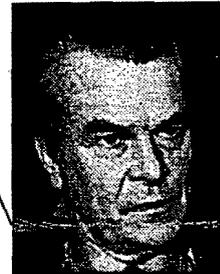
Agence France-Presse
FYODOROV: Quits as finance minister

MIDEAST TALKS:

PLO leader Yasser Arafat and Israeli Foreign Minister Shimon Peres meet in Norway Saturday to try to put back on track Israel's delayed withdrawal from the Gaza Strip and the town of Jericho, said Egyptian Foreign Minister Amr Muhammad Moussa. He said Arafat will return to Cairo next week for more talks with Egyptian President Hosni Mubarak after meeting with Peres at the funeral of Norway's foreign minister, Johan Joergen Holst.

SOUTH AFRICA WARNINGS:

African National Congress leader Nelson Mandela said white right-wing radicals demanding self-rule posed a serious threat to South Africa's future. "The ultraright is powerful in the proper sense of the word. ... They are likely to create havoc. We are facing even more violence than that which is raging now," he told a group of black lawyers in Johannesburg. Mandela has rejected white right-wing demands for an independent Afrikaner state in post-apartheid South Africa.



Agence France-Presse
OWEN: Bosnia mission unsuccessful

OWEN ASKED TO GO:

The European Parliament voted to take Lord David Owen off the Bosnia-Herzegovina job as peace negotiator for the European Community. In a 160-90 vote, with 13 abstentions, the 518-member parliament said Owen hasn't fulfilled his task of bringing peace to the region. The Strasbourg-based parliament has little power, but its statements are seen as reflecting public sentiment in Europe.

BOSNIA TARGETS:

A NATO team is set to advise the United Nations on possible air strikes in Bosnia. The team is expected to fly to Croatia within the next few days. The idea behind the planned air strikes: Reopen Tuzla airport and allow replacement of Canadian U.N. troops stuck in the besieged enclave of Srebrenica in eastern Bosnia. U.N. Secretary-General Boutros Boutros-Ghali has asked for a detailed plan of action.

INDIA VIOLENCE:

Fighting in India's Kashmir Valley killed at least 19 people and wounded 11. Police said Muslim separatists fought with government troops. The attacks may be linked to the Jan. 26 celebration of India's becoming a republic in 1950. Rebels called for a boycott.

GERMAN RIGHTISTS:

Police raided the apartments and hangouts of members of a right-wing extremist group in five German states, seizing documents and mail. The eastern German city of Halle banned a neo-Nazi rally planned to demonstrate against a local disabled schoolgirl's false accusations that skinheads slashed a swastika into her cheek.

ALSO:

Doctors at Manila's top heart hospital questioned claims by former Philippine first lady Imelda Marcos that she is at high risk of dying from coronary disease. ... Cyclone Rewa lurked off the Great Barrier Reef, battering Australia's coast with winds up to 100 mph and high seas.

OCT 20 REC'D

October 20, 1993

MEMORANDUM FOR CHRISTINE VARNEY

FROM: BRUCE REED
SUBJECT: McCurdy and Welfare Reform

You can tell the President in your next Cabinet Report Summary that the chairs of the Welfare Reform Working Group (David Ellwood, Mary Jo Bane, and I) met with Rep. McCurdy three weeks ago, and we will be working closely with him to build support.

In fact, McCurdy and 80 House colleagues in the Mainstream Forum are sending a letter to the President today endorsing his approach to welfare reform and pledging to work with the Administration to pass a bill. I'm sending you a copy of that letter.

At last count, our group has met with 25 members of Congress and 75 Hill staffs, including a significant number of Republicans. To this point, the meetings have been primarily courtesy calls.

cc: Carol Rasco
Howard Paster

October 19, 1993

MEMORANDUM FOR CIRCULATION

FROM: BRUCE REED

SUBJECT: Mainstream Forum Press Conference on Welfare Reform
Wednesday, October 20, 9:45 a.m.

Rep. Dave McCurdy (D-OK) and his House colleagues in the Mainstream Forum have scheduled a press conference tomorrow morning to release a letter to the President urging their support for welfare reform. The letter endorses the basic principles of the President's approach, including a two-year time limit, child support enforcement, training, child care, and access to affordable health care for all as a way to make work pay.

Around 80 House Democrats have signed onto the letter. Reps. Jim Slattery (D-KS), Eric Fingerhut (D-OH), and Karen Shepherd (D-UT) took the lead in drafting and circulating it. A copy of the letter and the list of signatories is attached.

We welcome their support for the President's approach, and will continue to work with them and others in both houses and both parties to develop a welfare reform plan that is consistent with the principles he has laid out. The Administration's Welfare Reform Working Group has already met on a bipartisan basis with dozens of members (including McCurdy) and Hill staff, as well as state and local officials, recipients, caseworkers, business leaders, and others. We have also held a series of field hearings around the country, which will conclude Nov. 8-9 in Memphis. We will be making recommendations to the President later this year, and the plan will be announced in early 1994.

House Republicans are working on their own welfare reform plan, which could be announced later this month. While we don't know all the details or costs of their plan, we welcome their efforts to make this a bipartisan issue and help the President pass a welfare reform plan.

If you have any questions or wish to send questions my way, you can reach me at 456-6515.

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

October 19, 1993

Dear Mr. President:

We of the Mainstream Forum are writing today to share with you our support for reform of this nation's welfare system. We are encouraged that your Working Group on Welfare Reform, Family Support and Independence is conducting a thorough review of the system and are hopeful that its findings will lead to greater efficiency. We support the key provisions in your campaign promises to "end welfare as we know it": making work pay and establishing a two-year transitional period to move recipients off of welfare into jobs.

We applaud the Administration's effort to reform this country's health care system so that access to affordable health care is available to all. Affordable health care is key to moving welfare recipients off of welfare into jobs. Your work on health care should eliminate the need to choose between staying on welfare and receiving Medicaid benefits or working at a low wage job that does not provide coverage.

Our priority in reforming welfare must be to ensure access to job opportunities that move individuals from dependency to self-sufficiency. In calling for such job access, we strongly endorse prioritization of job placement, and access to adequate education and training. We support the establishment of a two-year transitional period on benefits, during which welfare recipients remain active in either a job search and/or work, or, when necessary, training and education.

The business community should be encouraged to play an active role in reshaping job training, education, and employment factors. Serious consideration must be given to economic incentives for private sector job creation. We also strongly endorse your call for community service employment for those welfare recipients who are not able to find jobs in the private sector.

Enforcement of child support is also essential at the federal level to ensure that, along with the recent increase in the EITC, working parents have the funds available to pay for child care and other costs associated with raising a child while working. Further, child care issues must be addressed in order to allow parents to pursue employment while feeling secure that their children are being cared for in a safe and supportive environment.

Finally, we believe that the costs and frustrations caused by the fragmented administration of the various welfare programs can be reduced by streamlining and updating existing processes and procedures.

We look forward to working with you on this critical issue.

Sincerely,

~~Sam Mundy~~
~~Joe K...~~

~~Mark L...~~

~~Pat Cl...~~

~~Jim A. Con...~~
~~John K...~~

~~Jim Baccher~~

~~Wm. H...~~

~~Tom K...~~

~~Ken Brown~~

~~John~~

~~Jim Statter~~

~~Jimmy Hayes~~

~~Nathan Dea~~

~~W.C. F...~~

~~Jim Moran~~

~~Buddy Larden~~

~~Greg Laughlin~~

~~Frank P...~~

~~Pat L...~~

~~Sam G...~~

~~John T...~~

Signatories

Representative Jim Bacchus	Representative Don Johnson
Representative Scotty Baesler	Representative Tim Johnson
Representative James Barcia	Representative Ron Klink
Representative Thomas Barlow	Representative Blanche Lambert
Representative Sanford Bishop	Representative Martin Lancaster
Representative Rick Boucher	Representative Larry LaRocco
Representative Glenn Browder	Representative Greg Laughlin
Representative Bob Carr	Representative Bill Lipinski
Representative Jim Chapman	Representative Nita Lowey
Representative Bob Clement	Representative Dave McCurdy
Representative Ron Coleman	Representative Paul McHale
Representative Gary Condit	Representative David Mann
Representative Jim Cooper	Representative Martin Meehan
Representative Sam Coppersmith	Representative David Minge
Representative Jerry Costello	Representative Jim Moran
Representative Bud Cramer	Representative Bill Orton
Representative Pat Danner	Representative Frank Pallone
Representative Buddy Darden	Representative Lewis F. Payne
Representative Nathan Deal	Representative Collin Peterson
Representative Calvin Dooley	Representative Pete Peterson
Representative Chet Edwards	Representative Earl Pomeroy
Representative Glenn English	Representative Glenn Poshard
Representative Karan English	Representative David Price
Representative Anna Eshoo	Representative Bill Sarpalius
Representative Bob Filner	Representative Phil Sharp
Representative Eric Fingerhut	Representative Karen Shepherd
Representative Martin Frost	Representative Ike Skelton
Representative Pete Geren	Representative Jim Slattery
Representative Dan Glickman	Representative Louise Slaughter
Representative Bart Gordon	Representative John Spratt
Representative Gene Green	Representative Bart Stupak
Representative Jane Harman	Representative Dick Swett
Representative Jimmy Hayes	Representative John Tanner
Representative Bill Hefner	Representative Gene Taylor
Representative Peter Hoagland	Representative Frank Tejeda
Representative Tim Holden	Representative Karen Thurman
Representative Jay Inslee	Representative Tim Valentine
Representative William Jefferson	Representative Charlie Wilson

Bruce? Roth?
CHR's copy?
Howard sent to
CHR today

THE WHITE HOUSE
WASHINGTON

October 18, 1993

CAROL RASCO -
I need to
ask you to
prepare this
briefing for
McCurdy since
no one in
my department
is knowledgeable about
this
AD
H

OCT 20 RECEIVED

MEMORANDUM FOR HOWARD PASTER AND CAROL RASCO

FROM: CHRISTINE A. VARNEY *CAV*
Secretary to the Cabinet

SUBJECT: Welfare Reform Working Group

The President has asked that we update Congressman Dave McCurdy on the progress of the Welfare Reform Working Group and the results the recent public hearings.

Please let me know the outcome of your conversations with the Congressman by this Thursday, so that I can update the President in next Friday's Cabinet Report Summary.

THE WHITE HOUSE
WASHINGTON

10 OCT 16 21:54

October 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY *CAV*
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
Week of October 17 to October 23, 1993

CABINET-WIDE ACTIVITY

HEALTH CARE REFORM

This week's health care themes are preventive health and jobs. Cabinet Members have scheduled regional media time to discuss these issues, and are continuing to travel to promote the Plan.

NAFTA

Members of the Cabinet continue to work to promote NAFTA with travel, regional media events, Congressional testimony, and visits and telephone calls to targeted Members of Congress.

WELFARE REFORM

The working group on Welfare Reform held its fourth public hearing in Sacramento on October 8. The group met with California County officials and local elected officials.

DEPARTMENT SUMMARIES

Department of Treasury

- o **NAFTA:** The Committee on Ways and Means began its walk through of NAFTA on Wednesday morning. Chairman Rostenkowski expressed the need for the Administration to respond quickly to the Committee in providing details on: (1) its funding proposal; (2) the worker retraining

Carol Howard

*Let Davey what
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you don't on this*

Format?
How long?
Who?

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- ① C. Hayward
20 min. private
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- ② outside speaking
event that's
open press
5 or 10
pub.

CHILD WELFARE LEAGUE OF AMERICA, INC.

MEMORANDUM

To: Maria Tio

From: Charlotte McCullough

Re: October 12, 1993 Town Hall Meeting, Columbus, OH

Date: September 28, 1993

RFB?
Can Carol do this? please, please?
The Dateline town hall probably will not happen. also, the video for J.C. Haynes series on women

I am grateful for your efforts thus far and appreciate your commitment to having the White House represented at the CWLA Town Hall meeting on Tuesday, October 12, 1993 in Columbus, OH. Our communications/press office will be issuing an initial press release next week about the conference and the important issues we are addressing.

I want to pitch a slightly different option for your consideration. What if the First Lady presided over her first televised town hall live on Dateline (NBC) at 10:00 p.m.? Surely there would be strong interest on their part in such an opportunity. We have a back up site on hold for any time on the 12th. We can go with an intimate audience of 800-1000, or, if you prefer we can fill the gallery of the hall with 5000 people. We have the active support of the Ohio Department of Human Services and an organization of voluntary agencies eager to support this event.

Again, our audience represents businessmen, public and not-for-profit agency executives, clinicians, direct caregivers for children who cannot live at home, educators, community organizers, juvenile justice personnel from across the country. We can make certain that young people are there to ask about the national service agenda, violence prevention, and other issues concerning youth.

Participants to this conference are active advocates for children and will become involved in the debate over health care, welfare reform, and other domestic issues. They worked for passage of the Administration's plan for children contained in OBRA and they look forward to being able to work in their states and on Capitol Hill on behalf of the broad domestic agenda.

In addition to our constituents, we can arrange to have Governor Voinovich (R), and/or Attorney General Lee Fisher(D), and members of the Ohio legislature at the town hall.

You know how much we would like to publicize the town hall and how eager we are for a final answer. I will be standing by at [redacted] P6(b)(6) Could you touch base by Friday, Oct. 1 with an update (even if you have nothing new to report)? Thanks!

File

THE WHITE HOUSE
WASHINGTON

November 29, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mary Jo Bane
David Ellwood

THROUGH: Carol Rasco *CR*

SUBJECT: Welfare Reform and the FY95 Budget

I. The Working Group Draft Options Paper

Later this week, the Welfare Reform Working Group will send you a draft options paper on welfare reform. We will continue to refine the document in early December, but we wanted you to see a draft of our recommendations now, as you begin to make decisions about the FY95 budget.

The Working Group has completed the last of its five regional hearings and site visits, and has met with more than 250 interest groups, hundreds of welfare recipients, and dozens of members of Congress, governors, and state officials in both parties. There seems to be remarkable agreement within the Administration on the basic elements of a welfare reform proposal. The Working Group, which consists of 33 subcabinet officials from eight agencies and the White House, held an all-day retreat last week to review its draft recommendations. At the end of the meeting, everyone burst into applause over the level of consensus that had been reached.

We will submit a draft options paper to you this week, and follow up with more specific decision memos and decision meetings as necessary. In the meantime, we will also need to consult further with states and with key members of Congress to begin building a coalition for welfare reform. We will probably need to share specific sections with a carefully selected small number of key players. Our goal, pending your decisions on key issues, is to have legislation ready early next year.

One important development: The American Public Welfare Association (APWA) will soon release its own consensus reform plan, which will be very similar to our recommendations, and will include a two-year time limit followed by work. The APWA plan was developed by a broad bipartisan group of state welfare directors, ranging from

Jerry Whitburn of Wisconsin to Barbara Sabol of New York. We are optimistic that many governors will go along.

The New York Times reported Sunday that we are looking at subsidies for private employers to hire people off welfare. We are focusing on many ways to move people from welfare to the private sector, and this is one option under consideration, but it is not as central as the Times article suggested.

II. Cost Issues

Although definitive cost estimates for welfare reform will depend on decisions you make about key aspects of the plan, the levels themselves are actually quite flexible -- especially during the first 4-5 years of the program. The plan can be phased in slowly, starting with new applicants coming onto the welfare rolls. (The Republican plan uses a similar, gradual phase-in.) The phase-in can be adjusted to fit the amount of money available for welfare reform in the budget.

Three areas are likely to require increased funding: child care for families who are working or in training; expansion of the JOBS program to give more people access to education and training; and administration of the community service jobs program for those who hit the two-year time limit. We would expect these costs to be in the range of \$1 to 1.5 billion in FY95, rising to \$5 to 6 billion when fully phased in.

Essentially all of these costs are on the entitlement side of the budget. Welfare reform does not require new domestic discretionary spending.

Given the very tight budget and the fact that no money was included in the previous budget for welfare reform, we have been operating on the assumption that any new money spent on this initiative will have to be offset by savings generated by the program and by other entitlement savings.

We have identified several possible sources. Savings could result from increased child support collections and reductions in the caseload. Other entitlement savings could come from a series of initiatives ranging from capping the growth of Emergency Assistance, some tightening of the rules regarding non-citizens seeking to collect public assistance, closer coordination of the tax and transfer system to reduce fraud, potentially making a portion of means-tested benefits taxable the way earnings are for those with incomes above poverty, and a number of other ideas. We are currently working with OMB and Treasury on these and other offsets.

file *file*

**TALKING POINTS
HEALTH CARE AND WELFARE REFORM**

We must have comprehensive health care reform in order to move forward on the rest of the President's domestic agenda. Without reform, health care costs will continue to explode and eat up our investment dollars. Without reform, people will continue to be locked in current jobs or on welfare.

The bottom line: we cannot end welfare unless we also have comprehensive health care reform.

THE PROGRAM

From the outset of this Administration, the President has been working to make good on his pledge to end welfare as we know it. This initiative has four major parts: the Earned Income Tax Credit; health care reform; personal responsibility and work.

The Earned Income Tax Credit (EITC). We ought to reward work over welfare. Enacted in last year's budget, the expanded EITC will ensure that any family that has a full-time worker will no longer live in poverty. Expanding the EITC represents a giant step forward in reducing those dependent on welfare.

Comprehensive health care reform. Today, millions of welfare recipients stay on Medicaid or return to welfare -- the Federal government's health care program for the poor -- because taking a job means they will lose health benefits for themselves and their children. Comprehensive health reform will eliminate so-called "Medicaid lock" and enable people to seek jobs, secure in the knowledge that they and their children will be covered. By ensuring universal coverage, the Health Security Act provides the necessary foundation for welfare reform. The proposals being drafted by the President's working group on welfare are specifically designed to complement health reform.

Personal responsibility. The President's welfare reform plan will include initiatives to prevent teen pregnancy, ensure that parents fulfill their child support obligations, dramatically increase paternity establishment, and try to keep people from going on welfare in the first place. The message is clear: Governments don't raise children, parents do.

Work, not welfare. The final part of the President's welfare plan will build on the Family Support Act by requiring people who can work to do so within two years, either in the private sector or community service. This includes expanding child care for working families; providing education, training, and job search and placement for those who need it; and restoring the basic social contract of providing opportunity and demanding responsibility in return.

TIMING

Q: When will welfare reform legislation be introduced?

A: We expect to introduce welfare reform legislation this year and want Congress to pass it.

[if pressed on specific timing]

No decisions have been made. We think it's premature to make decisions on timing before you make decisions on policy.

Q: What comes first? Health reform or welfare reform?

A: The President has made clear that health reform is his number one domestic priority for 1994. The Administration and Congress want to enact both health and welfare as quickly as possible -- and consultations are continuing on the exact sequencing.

Q: The Republicans say you're dragging your feet on welfare reform. What's taking so long?

A: No President -- Democrat or Republican -- has done more than Bill Clinton to "end welfare as we know it."

Look at the record. President Clinton has been at the forefront of welfare reform in this country since he led the nation's governors in writing and worked with Congress to pass the Family Support Act of 1988. And when the House Republicans introduced their bill last November, they pointed out that it is based on proposals put forth by President Clinton in the 1992 campaign.

In addition, the Administration has been working closely with states and local officials to reward innovative welfare reform programs. In 1993, the Department of HHS granted a number of waivers for innovative state programs.

President Clinton's four-step welfare reform package makes economic and common sense, and will attract bipartisan support.

[if pressed]

Those who are criticizing us now are the same people who voted against the first part of the President's welfare reform package -- the EITC.