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THE WHITE HOUSE

WASHINGTON

Thursday, July 30, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAN MCGROARTY *DM*

FROM: JANICE SHAW CROUSE *Janice Shaw Crouse*

RE: PROPOSED REMARKS FOR THE WELFARE REFORM
WHITE PAPER SPEECH

I. SUMMARY

On Friday, July 31st, at 7:45 a.m., you will deliver remarks to an audience of 950-1000 members of service clubs (Kiwanis, Rotary, and Exchange Clubs) and the Chamber of Commerce at the Riverside Convention Center in Riverside, California.

II. DISCUSSION

Your remarks (approximately 15 minutes / teleprompter), focus on welfare reform -- specifically the release of the Welfare Reform White Paper. The speech highlights the three major problems related to welfare and what your Administration has done about the problems -- basic change of approach to the problem, legislative proposals and waivers.

Larry Dye
(703) 820-8230

Page

x6406 Gail Wilensky

Crouse/Nix
Thursday, July 30, 1992
3:41pm
[welfare.007]

PRESIDENTIAL REMARKS:

WELFARE REFORM SPEECH
RIVERSIDE, CALIFORNIA
FRIDAY, JULY 31, 1992

Britt
Kevin Hart

Thank you for that warm welcome. [ACKNOWLEDGMENTS]

Yes, indeed, Robby^{ie}, we are "Proud to Be An American." Those who talk about our nation being past her prime, just don't have vision. Take the Olympics. Barcelona loves America's Dream Team. And, we applaud Pablo Morales, the swimmer who missed out in '84, didn't make the team in '88, then came back this year to earn a gold medal -- at the ripe old age of 27. Let that be a lesson: never count an old man out. [Pablo's proof positive that youth and inexperience are no match for maturity and determination.]

I am pleased to be here in Riverside to applaud your success with the "Greater Avenues for Independence" program (GAIN). At Riverside -- your mission of family self-sufficiency changes emphasis from the "patronage of the past" to give people a "foundation for their future." GAIN participants have one goal -- to prepare to get a job. You hold them accountable with tough sanctions -- but you also give them opportunity for self-sufficiency. Just look at your results -- almost 80 percent got jobs -- ~~most kept their jobs~~ -- and welfare-related costs dropped 12 percent. Even more important -- many of your success stories have come from long-term welfare recipients that most case-workers would call hard-to-serve -- and that's something to

Alex White

Ry1

single
1720
2-parent
Larry Dye
Evaluation over half of your part
1st year - 52% got jobs
2-parent 57%
a jobs the year following their participation
welfare costs dropped 13%.

x6563
Hans Kuttner

Gail Wilensky

really be proud about. What you have done here in Riverside, is what we plan to do all across America.

Those who talk gloom and doom about America need to lift their sights. In the past few years, some huge problems have become wonderful, big opportunities for America.

We have overcome communism. It took sacrifice and struggle. It cost lives. But today -- one after another -- nations that we never dreamed would be free are now embracing democracy. And, we have the chance to use American ingenuity and American products to help these new nations shape their democracy while expanding our own economy.

We have overcome the threat of nuclear annihilation. Since that historic moment last month, when President Yeltsin and I signed agreements that eliminated some of the most dangerous nuclear weapons -- the world has breathed a sigh of relief. Now, America can expand her international business partnerships and channel millions we once spent on defense into peacetime prosperity.

We have changed the world. And, we are going to change America. We're here today to talk about changing our nation's welfare system -- a system that's been broken -- a system that does nothing to strengthen families -- a system that saps this nation's economic strengths -- a system that we are going to fix. We are transforming welfare from a hand-out to a hand up.

The old welfare policies were well-intentioned -- but they are out-of-date and out-of-line with reality. Today's welfare

family structures are drastically different and infinitely more tragic than the ones welfare was originally meant to serve.

Since 1960, unwed teen births have tripled. Far too often children don't know their father -- or he's a deadbeat dad. To make matters worse, these situations usually aren't temporary -- the trends are persistent -- and the rates are skyrocketing.

These dramatic shifts have caused an earthquake of devastation to the American family. Tragically, the aftershocks ravaged our welfare system and depleted our social services just when these unwed teen parents needed an extra-long ladder to climb out of the cycle of dependency. Young fathers fear they can't compete with the government hand-out when it comes to providing for their children. Young mothers, left to fend for a child on their own, end up caught in the safety nets -- unable to get free. And, the children caught in this trap -- that's the saddest story of all.

So, with the 1988 Family Support Act we are trying something new -- an old-fashioned idea: responsibility -- personal responsibility rather than dependency -- tough love instead of a free lunch.

My policies are outlined in the Welfare Reform Policy Paper which gives the details about what we have done, about what we're doing now, and about what our next steps will be. We have one basic over-arching goal for Welfare Reform -- to create incentives for people to get off welfare as soon as possible -- and to help them become economically self-sufficient.

Pub Affs
FH &
Larry
Dye

OK
Larry

To Ann Barnhart
401-9200

Welfare dependency is still costing us billions of dollars for income support, food stamps, public housing, and Medicaid. With no end in sight, we have chosen to aggressively promote welfare-to-work -- focusing on employment, child support enforcement and education.

We are starting with the kids -- to break the chain of second, even third, generation welfare dependents. We have made the largest expansion in history for the Head Start Program. We have increased funding by 127 percent since 1989 -- over \$2.8 billion for the upcoming year. We've opened the door of Head Start to all eligible 4-year-old children whose parents want them to participate. That's a program that works -- a program I'm very proud of.

We have also increased the WIC program by 50 percent and we have initiated the Healthy Start program to make sure poor kids are ready to learn -- ready to develop.

We are also working to keep kids in school and help them complete their education. That means teenage mothers who have not completed high school should go to school full-time.

All 50 states now have JOBS programs -- more than half a million people participate in JOBS training each month. And it means that big government is no longer doing for dependents what they can and should be doing for themselves. It means helping people find real hope -- not destroying their spirits with the drug of welfare.

Sara Waters

✓
Larry
Dye
HHS

And we are going after those deadbeat dads. Last year, we collected a record-high \$6 billion in child support payments. And, through our efforts last year ... nearly 400,000 children now know who their daddy is ... and we are going to make sure those dads know: they've got a responsibility to support their kids.

These are all good things that we are already doing -- but even that is not enough. Our nation can't afford to continue underwriting programs that aren't working. And, we can't afford to perpetuate a system that discourages marriage, supports illegitimacy -- that doesn't do enough to encourage work.

Those on welfare need to work hard and save for a better future -- but the welfare system has said no. They need to help their kids develop a work ethic and get a job -- but the welfare system has said no. They need nurturing families -- a father and mother in the same house with their children. But, the welfare system has said no.

Article
NY Times
May 15, 1992
\$4,900
almost 5,000
BA Atlanta
May 27,
1992

It's time the system started saying yes. Yes, to people like Sandra Rosato who saved for college because she didn't want to be a second-generation welfare dependent. Sandra worked hard and accumulated \$4,000. But the welfare system said her family couldn't continue to get benefits while Sandra was saving money for school. That's not right. Sandra and others like her should be able to save for self-sufficiency -- because self-sufficiency is how we measure success.

WSJ article

[[We have begun to open the doors of opportunity to one of the largest groups that has been relegated to welfare dependency -- individuals with disabilities. The ADA, which took effect recently, gives Americans with disabilities the opportunity to gain control over their own lives and compete for jobs on a level playing field.]]

I have sent Congress far-reaching legislative proposals -- innovative and sound initiatives that will let families on welfare save and not be penalized -- legislation that encourages people to start their own businesses -- and legislation that rewards people who get off welfare. These are the kind of efforts that the American people can trust -- because Riverside has proved that they work.

Today, I am proposing more changes and I'm asking Congress to put aside political concerns long enough to enact these changes. Our proposals are designed to expand waiver authority - - to give greater flexibility and strength to programs.

Specifically, our legislation loosens restraints on work requirements for those on welfare; allows extended job search and encourages other welfare-to-work activities. In short, they make it possible for states and cities to "break the mold" on how they use federal dollars. Because, here's the bottom line: There's no welfare program like a job.

Already, five states have applied for and quickly received federal permission for innovative, groundbreaking efforts. New Jersey has just been granted a waiver that will enable it to

Hans
?

6 waivers
to 5 states
Wisconsin has 2

experiment with incentives to change behavior. In Wisconsin, Governor Thompson's program will reward additional work, encourage families to stay together and push teen parents to stay in school. Here in California, Governor Wilson is proposing innovative changes that I hope he'll have the opportunity to carry out.

This legislation and our waiver efforts are providing the incentive and the help for getting a handle on their future. We are working with the states to develop new ways to help people - - ways to get them back on their feet.

President Franklin Roosevelt -- a man who persevered to transcend his disability -- knew that there are some things that no one else can do for another person. He knew that assistance had the power to harm as well as help. He warned the nation that welfare could become "a narcotic" and that it could become "a subtle destroyer of the human spirit."

Riverside has shown us that it is possible to mend broken spirits -- they can be made whole again. I say -- that's what welfare ought to do and we are the ones who've proved it can be done. I say let's trust proven results -- results like the ones here in Riverside. Let's try a new way. Let's trust a new idea -- to get people out of the welfare trap and off the welfare rolls. Let's use what we've learned here to break the cycle of dependency -- give our economy a boost -- give taxpayers a break -- and give our poorest citizens hope and dignity.

Thank you for your very important role in this significant task. May God Bless you. And, May God Bless the United States of America.

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LEVEL 3 - 9 OF 13 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

April 23, 1992, Thursday, Home Edition

SECTION: Part A; Page 1; Column 2; Metro Desk

LENGTH: 1211 words

HEADLINE: WORK TRAINING PLAN CUTTING WELFARE COSTS, STUDY FINDS

BYLINE: By VIRGINIA ELLIS, TIMES STAFF WRITER

DATELINE: SACRAMENTO

BODY:

In findings expected to have far-reaching implications for the nation's embattled welfare system, new research released today shows that California's work training program succeeded in reducing government spending by getting significant numbers of welfare recipients into jobs.

The research on California's GAIN program, commissioned by the state Department of Social Services, provides the first major evidence that mandatory welfare-to-work programs with strong emphasis on basic education can produce substantial results.

"I think the results were more dramatic than all of us suspected they would be," said Russell Gould, state secretary of Health and Welfare.

The study, coming at a time when welfare-to-work programs are being criticized as too slow in producing results, is expected to provide new impetus for JOBS (Job Opportunities and Basic Skills Training), a national program initiated by Congress that imposes obligations on recipients but at the same time offers services designed to move them into jobs.

It also adds credence to the philosophy embodied in the 1988 Family Support Act that the acceptance of government aid must carry an obligation to seek work and get off the public dole as soon as possible.

Established in 1985, California's GAIN (Greater Avenues for Independence) program was an important forerunner for the federal JOBS program. It differed from the so-called workfare programs of the past, which simply attempted to place recipients in jobs by providing a broad array of services with heavy emphasis on education and training.

As now designed, the California program is mandatory for nearly all adult welfare recipients except single mothers with very young children. However, in some counties that have not been able to fully fund the program, it has by necessity been limited to certain groups, such as long-term recipients.

The report found that in the first year of participating in GAIN single parents -- mostly mothers -- earned on the average 17% more than members of a control group not in the program, and received 5% less in welfare payments.

Los Angeles Times, April 23, 1992

Although the authors of the report insisted it is too early to draw conclusions about the long-term success of GAIN, the fact that one county -- Riverside -- showed notably better results than any other is expected to have some influence on the course of the program in California.

The Riverside program placed heavy emphasis on continuous job hunting and made more frequent use of sanctions, penalizing families who showed poor attendance in the program by reducing their welfare grant.

"We wanted to produce the greatest good for the greatest number," said Lawrence Townsend Jr., director of the Riverside County Department of Public Social Services. "We wanted to sell clients on the idea that you will not start at the top of a corporation and you may not get off welfare immediately but you'll have some pride in paying your own way."

Conducted by the nonprofit Manpower Demonstration Research Corp., the study focused on the GAIN programs in six widely different California counties -- Los Angeles, San Diego, Tulare, Butte, Alameda and Riverside -- and included 33,000 welfare recipients.

With 17% of the nation's welfare recipients, California has the largest and most comprehensive welfare work training program of any state. At any one time it has about 175,000 recipients enrolled in GAIN.

"GAIN and other state jobs programs were not designed as quick fixes so the fact that in the first year you're already seeing notable welfare savings and earnings gains is definitely encouraging in terms of the potential payoff of this approach," said Judith M. Gueron, the research company's president.

Although the findings varied from county to county, and differed markedly in some categories, the study even showed encouraging results with some hard-core groups, such as so-called welfare dependents or long-term recipients, who in the past have not been much affected by work training programs.

Likewise, the program exhibited success with two-parent families on welfare, who also have not often been affected by jobs programs. Overall, the study reported that two-parent families in the GAIN program averaged 15% more in earnings than the control group not on the program. The increased earnings produced a 6% reduction in welfare spending for the GAIN group.

Among the counties, Riverside had a better showing in nearly all categories. In the single-parent family group, for example, it reported a 65% difference in earnings between those participating in GAIN and a similar group not enrolled in the program. The higher earnings for the GAIN group allowed the state to reduce welfare spending for those families by 12%.

Los Angeles had surprisingly mixed results with the program. Its single-parent GAIN group had 1% less in earnings than the control group not in the program. But among two-parent families, the GAIN group showed earnings that were 21% higher than the group not on the program.

"We've struggled ourselves with how to interpret the Los Angeles results," said James Riccio, a senior research associate and lead author of the report. "But it may in fact be that they're serving a tougher population."

Los Angeles Times, April 23, 1992

Faced with funding shortages, GAIN programs in Los Angeles and Alameda counties served only long-term recipients, the group most in need of intensive education and training. Among the counties, Los Angeles' GAIN group had the highest percentage of its recipients -- 81% for single-parent families and 92% for two-parent families -- considered in need of basic education. It also had the smallest proportion of single parents -- 17% -- with recent work history.

Riccio said that with large numbers of GAIN recipients enrolled in basic education it will take longer for Los Angeles and any other county with a heavy education component to show strong positive results from the GAIN program.

Even so, the study was not even officially released before Democrats and Republicans began arguing over the results. Gould said the Riverside findings supported Gov. Pete Wilson's proposal to move the program toward greater emphasis on job hunting and away from its generally heavy concentration on education and training.

"The study reinforces the Administration's proposal to get the GAIN program focused on employment opportunities," said Gould. "We think there are opportunities to get people back into the job market and that's the approach that we ought to be using." With more focus on job seeking, Gould said, the program, which is now not fully funded, could serve more people.

But Assemblywoman Delaine Eastin (D-Union City), chairwoman of the former legislative GAIN oversight committee, said such strong first-year results indicate that second- and third-year results will be even better. At that point, she said those now enrolled in the education program will begin moving into the job force.

"I think these results support the argument that we should not make substantial changes to the GAIN program until the longer-term results are in," she said.

She said the initial success of the program also supports the Democratic argument that state funding for GAIN should be increased so it can reach more recipients.

SUBJECT: GREATER AVENUES FOR INDEPENDENCE (PROGRAM); WELFARE PROGRAMS -- CALIFORNIA; WORKFARE; WELFARE PROGRAMS -- FINANCES; STATISTICS

LEVEL 3 - 8 OF 13 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

April 26, 1992, Sunday, Home Edition

SECTION: Opinion; Part M; Page 4; Column 1; Editorial Writers Desk

LENGTH: 448 words

HEADLINE: FROM WELFARE TO WORKFARE;
KEY STUDY SHOWS STRENGTHS OF JOB PROGRAMS

SERIES: WELFARE WATCH: One in an occasional series.

BODY:

An independent analysis of California's large and ambitious Greater Avenues to Independence (GAIN) program provides the first significant evidence in the nation that mandatory state workfare programs that emphasize education and employment can succeed in reducing welfare caseloads and helping poor parents get jobs.

The national study, by the nonprofit Manpower Development Research Corp., indicates that even during a recession a well-run, demanding and supportive workfare program can change behavior, increase earnings of welfare recipients and save government money.

These encouraging findings, based on a study of 33,000 welfare recipients in six California counties during the first year of GAIN, should send a clear message to Gov. Pete Wilson: Workfare can work; GAIN merits expansion.

GAIN, a mandatory workfare program for welfare recipients whose children are at least 3 years old, requires poor mothers and some jobless fathers to go back to school and look for a job.

Unlike other state workfare programs, California's mandates a heavy educational component, but the program is flexible enough to allow a county to place immediate emphasis on getting a job.

Riverside County, under the leadership of a dynamic and highly motivated welfare director, Lawrence Townsend Jr., emphasized job placement and reported a 65% increase in the earnings of single mothers who participated in GAIN over those who did not. Townsend's staff contacted local businesses to identify jobs and encouraged welfare recipients to look for a job first before participating in the high school equivalency program. In a tough-love approach, Riverside County also imposed sanctions on welfare recipients who refused to participate in GAIN; 11% lost some benefits.

Other counties had much less success. Los Angeles County did poorly, researchers conjecture, because of a hard-core welfare population that is older, with little education or recent job experience. Tulare County also did poorly because a freeze wiped out farm jobs, proving that no workfare program can succeed when there are no jobs.

California spends \$108 million on GAIN; the federal government, \$220 million. Full funding in California would require an increase of \$200 million, which is

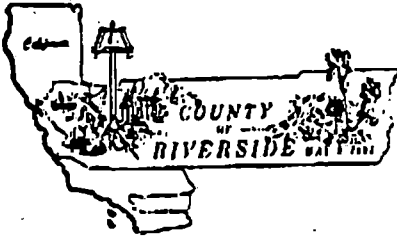
Los Angeles Times, April 26, 1992

unlikely in a time of growing state deficit.

That increase could come from the federal government if Sen. Daniel P. Moynihan (D-N.Y.) succeeds in increasing federal workfare funding to \$4 billion while limiting the amount of matching funds by the states.

There are lessons for Gov. Wilson and the Legislature in this key study. In GAIN, California already has the beginnings of solid welfare reform -- but it needs nurturing.

TYPE: Editorial; Series



Department of Public Social Services

Administrative Office: 4060 County Circle Drive, Riverside, CA 92503
Telephone Number: (714) 358-3000 FAX Number: (714) 358-3036

Lawrence E. Townsend, Jr., Director

Thomas F. Courbat, Assistant Director
Administrative Services

Paul A. Rout, Assistant Director
Social Services

Ronald G. Merrill, Deputy Director
Income Maintenance

FAX TRANSMITTAL SHEET

DATE: 7-29-92

DELIVER TO:

NAME: GAIL WALENSKY
AGENCY/DEPT: WHITE HOUSE
PHONE NO: _____ FAX NO: 202-456-7739

FROM:

Paul A. Rout
Assistant Director, Social Services

PHONE NO: (714) 358-3010
FAX NO: (714) 358-3036

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 3

COMMENTS: _____



- * MY NAME IS LARRY TOWNSEND, DIRECTOR OF THE DEPARTMENT OF PUBLIC SOCIAL SERVICES FOR THE COUNTY OF RIVERSIDE.
- * ON BEHALF OF THE BOARD OF SUPERVISORS AND THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY OF RIVERSIDE, IT IS MY PLEASURE TO WELCOME GOVERNOR WILSON TO ONE OF OUR GAIN OFFICES FOR A BRIEF TOUR.
- * THE GREATER AVENUES FOR INDEPENDENCE, OR "GAIN", PROGRAM IS THE EMPLOYMENT, EDUCATION, AND TRAINING COMPONENT FOR THE AFDC PROGRAM.
- * GAIN ASSISTS AFDC CLIENTS IN BREAKING THE WELFARE CYCLE OF DEPENDENCY THROUGH EMPLOYMENT.
- * RIVERSIDE COUNTY'S GAIN PROGRAM WAS IDENTIFIED BY THE RESEARCH FIRM, MDRC, AS BEING EFFECTIVE IN ASSISTING AFDC RECIPIENTS IN BECOMING EMPLOYED.
- * OUR APPROACH IS TO UTILIZE THE VARIOUS COMPONENTS OF GAIN AS ONLY THE MEANS TO THE GOAL OF EMPLOYMENT FOR AFDC RECIPIENTS AND NOT AN END IN ITSELF.
- * WE BELIEVE IT IS VITAL THAT AS MANY AFDC RECIPIENTS AS POSSIBLE BE PLACED IN UNSUBSIDIZED, PAID EMPLOYMENT AS SOON AS POSSIBLE. THIS EFFORT NOT ONLY ASSISTS AFDC RECIPIENTS IN LEARNING HOW TO BE EFFECTIVE EMPLOYEES AND IN SETTING POSITIVE ROLE MODELS FOR THEIR CHILDREN, IT ALSO OBTAINS TANGIBLE RESULTS FOR THE PUBLIC INVESTMENT IN THE GAIN PROGRAM.

GAIN Employment Program

The GAIN Employment Program assists AFDC applicants and recipients referred to GAIN to resolve problems and remove barriers that keep them from getting employment.

Greater Avenues for Independence (GAIN) final figures for 1991/92 are as follows:

Total Employments	5,538
Average Wage	\$5.70
Retention Rate (at 30 days)	75.6%

In addition, the AFDC savings because of GAIN-related employment through May 1992 are:

AFDC Cases Terminated 7/91 - 5/92	1,431
Savings From Terminated Cases	\$ 4,429,053
Savings From AFDC Grant Reductions	7,504,432
Total Savings 7/91 - 5/92	\$11,933,485

Riverside County GAIN Program

Riverside County's Greater Avenues to Independence (GAIN) program began in 1987 to combat welfare dependency. GAIN is a mandatory workfare program for welfare recipients whose children are at least three years old. The program requires welfare recipients to seek work and offers services designed to move them into jobs. Riverside's program was built around the community's explicit need for remedial education. Over one-half of the Aid to Families with Dependent Children (AFDC) registrants needed basic education, yet barely one-fifth of the GAIN registrants were participating in such classes.

The Riverside GAIN program assesses the educational level of all applicants before assigning them to either remedial education classes or job training clubs. The three week job training program offers one week of classroom experience followed by two weeks of tele-marketing training, job search assistance, and interview scheduling.

The successes of the Riverside Gain program for FY 1991-92 include:

- Placing 5,537 of its 6,806 participants in jobs; 80%
- Maintaining employment after 30 days for 75 percent of the participants who were placed in jobs;
- Achieving a 65 percent earnings differential between single-parent GAIN participants and those not enrolled;
- Reducing welfare spending for those families by 12 percent; and
- Achieving an overall AFDC cost savings of \$13 million.

Riverside had the largest first-year impact on earnings and welfare payments of the six California counties participating. Across the six counties, single-parent GAIN participants earned on average 17 percent more than non-participants, and welfare payments were reduced on average by 5 percent.

Riverside's GAIN program is currently involved in a four-site nationwide study to assess the effect of remedial education training on job placement and retention. Begun in June, 1991, the study randomly assigns one-half of those who require remedial education to the education component, while the other half is immediately enrolled in the JOBS training.

To Michelle

Date _____ Time 11:32

WHILE YOU WERE OUT

M. Chris Crystal

of 4 1/2 W of CA

Phone 916 654 3304

Area Code Number Extension

TELEPHONED	PLEASE CALL	☒
CALLED TO SEE YOU	WILL CALL AGAIN	☐
WANTS TO SEE YOU	URGENT	☐

RETURNED YOUR CALL ☐

Message _____

Operator LD



AMPAD
EFFICIENCY®

23-023 CARBONLESS

To Michelle

Date _____ Time 1:45

WHILE YOU WERE OUT

M. Buddy Price

of _____

Phone 512-356-7107

Area Code Number Extension

TELEPHONED	PLEASE CALL	☐
CALLED TO SEE YOU	WILL CALL AGAIN	☐
WANTS TO SEE YOU	URGENT	☐

RETURNED YOUR CALL ☐

Message _____

Operator Joe



AMPAD
EFFICIENCY®

23-023 CARBONLESS

→ STAFFED FOR NOON
THURSDAY

Crouse/Nix
Wednesday, July 29, 1992
5:24pm
[welf-ref.ca6]

PRESIDENTIAL REMARKS:

WELFARE REFORM SPEECH
RIVERSIDE, CALIFORNIA
FRIDAY, JULY 31, 1992

Thank you for that warm welcome. [ACKNOWLEDGMENTS]

I am pleased to be here in Riverside where you "promote individual independence." The people in your program are here for one reason -- to get a job. And, you hold their feet to the fire with tough sanctions that get results.

Yes, indeed, Robby, we are "Proud to Be An American." Those who talk about our nation being past her prime, just don't have vision. Take the Olympics. Barcelona loves America's Dream Team. And, we applaud Pablo Morales, the swimmer who missed out in '84, didn't make the team in '88, then came back this year to earn a gold medal -- at the ripe old age of 27. Let that be a lesson: never count an old man out. [He's proof positive that youth and inexperience are no match for maturity and determination.]

Those who talk gloom and doom about America need to lift their sights. In the past few years, some huge problems have become wonderful, big opportunities for America.

We have overcome "communism." It took sacrifice and struggle. It cost lives. But today -- one after another -- nations that we never dreamed would be free are now embracing democracy. And, we have the chance to use American ingenuity and

Audience
is Service
Club
members

American products to help these new nations shape their democracy while expanding our own economy.

We have overcome the threat of nuclear annihilation. Since that historic moment last month, when President Yeltsin and I signed agreements that eliminated some of the most dangerous nuclear weapons -- the world has breathed a sigh of relief. Now, America can expand her international business partnerships and channel millions we once spent on defense into peacetime prosperity.

We have changed the world. And, we are going to change America. We're here to talk about welfare reform -- about a system that's broken -- about a system that must be fixed. We must transform welfare from a hand-out to a hand up. ~~I have repeatedly said that~~ our current welfare policies, however well-intentioned, are now out-of-date and out-of-line with reality.

The first problem we face is a basic one -- our welfare system was designed for an Ozzie and Harriet world. But, today's welfare family structures are drastically different and infinitely more tragic.

Since 1960, unwed teen births have tripled. Far too often the children don't know their father -- or he's a deadbeat dad. To make matters worse, these situations usually aren't temporary -- the trends are persistent -- and the rates are skyrocketing. Unwed teen parents need an extra-long ladder to climb out of the cycle of dependency. Young fathers can't compete with the government hand-out when it comes to providing for their

Welfare
not designed
for 2 parents
no \$ for
able-bodied

children. Young mothers, left to fend for a child on their own, end up caught in the safety nets -- unable to get free. And, the children caught in this trap -- that's the saddest story of all.

These dramatic shifts have caused an earthquake of devastation to the American family. Tragically, the aftershocks are ravaging our welfare system and depleting our social services.

The system has failed us. It's time to try something new -- time to bring back an old-fashioned idea: responsibility. I intend to bring welfare back to the basics -- back to the tried and proven. Back to personal responsibility rather than dependency -- tough love instead of a free lunch.

My reforms are detailed in the Welfare Reform White Paper which gives the details about what we have done, about what we're doing now, and about what our next steps will be. We have one basic over-arching goal for Welfare Reform -- to create conditions to get people off welfare as soon as possible by helping them become economically self-sufficient.

Our second major problem is that our welfare systems and budgets can't handle our current welfare dependent population -- that's approaching 30 million -- that's costing over \$150 billion a year. My Administration is dealing with this crisis by changing our approach to welfare. We are focusing on education, employment, and child support enforcement.

We are starting with the kids -- to break the chain of second, even third, generation welfare. We have made the largest

expansion in history for the Head Start Program. We have increased funding by ¹²⁷ percent -- over \$2.8 billion, ^{since 1989} We've opened the door of Head Start to every eligible 4-year-old child. That's a program that works -- a program I'm ^{very} proud of. ←

We are also working to keep kids in school and help them complete their education. That means teenage mothers who have not completed high school must go to school full-time. It means that more than half a million people must participate in JOBS training each month. All 50 states now have JOBS programs. And, big government is no longer doing for dependents what they can and should be doing for themselves -- helping people have real hope -- instead of having their spirits destroyed by the drug of welfare.

And we are going after those deadbeat dads. Last year, we collected a record-high \$6 billion in child support payments. And, through our efforts last year ... nearly 400,000 children now know who their daddy is ... and we are going to make sure those dads know: they've got responsibility for their kids.

Our third big problem is that the nation can't afford to continue underwriting programs that aren't working. And, we can't afford to perpetuate a system that discourages marriage, supports illegitimacy -- that actually perpetuates dependency with perverse disincentives to work.

Those on welfare need to work hard and save for a better future -- but the welfare system says no. They need to help their kids develop a work ethic and get a job -- but the welfare

system says no. They need nurturing families -- a father and mother in the same house with their children. But, the welfare system says no.

Our Welfare System needs to start saying yes. Take Sandra Rosato. She saved for college because she didn't want to be a second-generation welfare dependent. Sandra worked hard and accumulated \$1,000. But the welfare system said her family couldn't continue to get benefits while Sandra was saving money. That's not right. Sandra and others like her should be able to save for college or for a job-training course. That's our top priority for dependents like Sandra. That's how we measure success.

I have sent Congress far-reaching legislative proposals -- innovative and sound initiatives -- the kind of efforts that the American people can put their trust in, because we always test for results.

Our legislative changes are designed to expand waiver authority, provide greater program flexibility and strengthen programs. Specifically, our legislation aims at making services more accessible to welfare recipients; allowing public housing residents to work in public housing improvement projects; granting flexibility regarding work requirements for those on welfare; allowing extended job search and encouraging other welfare-to-work activities. Because, here's the bottom line: There's no welfare program like a job.

Already, five states have applied for and received waivers for innovative, groundbreaking efforts. Governor Florio in New Jersey has just received a special exemption that will enable him to experiment with incentives to change dependents' behavior. Governor Thompson can tell you that government programs don't work, but that in Wisconsin they get great results through incentives and sanctions designed to restore family structure. I've already talked about the great things Governor Wilson is doing here in California. And many of our states are saying to long-term welfare dependents -- you don't get a check 'til you get a job.

These legislative and waiver efforts are providing recipients with help in getting a handle on their future. We are working with the States to develop new ways to help people -- ways guaranteed to get them back on their feet.

I say -- let's trust those States who have shown results. States like California. We cannot continue paying out over \$3.2 trillion in welfare benefits.

We can change the welfare system. We are can break the cycle of dependency -- give our economy a boost -- give taxpayers a break -- and giver welfare recipients hope.

Thank you for your very important role in this significant task. May God Bless you. And, May God Bless the United States of America.

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WHITE HOUSE
SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: _____

DTG: _____

MESSAGE NO. _____ CLASSIFICATION Unclassified PAGES 10
FROM Michelle W. x 7750 111/2
(Name) (Phone Number) (Room No.)

MESSAGE DESCRIPTION ① Speech - Welfare
② Memo

LOCATION Air Force One DELIVER TO Christina Martin / Steve Peest

REMARKS:

URGENT !!

WHITE HOUSE
SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: _____

DTG: _____

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LOCATION Air Force One DELIVER TO Christina Martin / Steve Peet

REMARKS:

URGENT !!

To Michele
Date _____ Time 12:10:5

WHILE YOU WERE OUT

M Darryl Wills
of _____

Phone X3517
Area Code Number Extension

TELEPHONED	☒	PLEASE CALL	☒
CALLED TO SEE YOU	☐	WILL CALL AGAIN	☐
WANTS TO SEE YOU	☐	URGENT	☐
RETURNED YOUR CALL		☐	

Message _____
about comments
on Welfare Reform.

Operator CK

DRAFT:7/28/92#2

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 31, 1992

The President's Welfare Reform Strategy

FACT SHEET

In his State of the Union address, the President said his Administration would facilitate granting welfare waivers for states that wanted to reform their welfare systems. The President today called for additional state welfare reform demonstrations and legislative changes that would create flexibility allowing for more flexibility at the state and local level. The President's plan is detailed in an Administration paper on welfare reform released today.

The Problem

Welfare Dependency

The number of Americans on welfare is at an all-time high. Recipients of Aid to Families with Dependent Children, the federal program most often thought of as welfare, now number more than 13,000,000. Food Stamps recipients are more numerous and now total over 25,500,000. Medicaid is the most costly federal program and recipients of that program are above 30,000,000.

The problem addressed by the Administration's proposals and paper released today is not welfare receipt but welfare dependency. Among those beginning to receive AFDC payments, almost half can be expected to be off the AFDC rolls within two years, yet at any one time, 65 percent of those receiving AFDC are in the middle of spells receiving AFDC that will last eight years or more. It is these lengthy periods of welfare receipt that define dependency.

Factors that increase a welfare recipient's chances of being dependent are:

- Teen motherhood. Forty three percent of long-term recipients had their first child while a teen, compared to 25 percent of shorter-term recipients;
- Having no work experience before first receiving welfare;

The President's Principles

The President's over overarching goal for welfare reform is to create conditions that will enable welfare recipients to leave the system at the earliest possible time, economically self-sufficient and as responsible participants in their community.

Federal programs that serve welfare recipients must serve as a ladder to responsibility and opportunity as well as a safety net.

Accomplishments

The paper released today reviews the Administration's accomplishments.

- The Family Support Act of 1988 created the Job Opportunities and Basic Skills (JOBS) program to provide job search, training, and education services to move welfare recipients to the workforce. The California JOBS program is called GAIN -- Greater Avenues to Independence. Through implementation of this program, 500,000 welfare recipients are participating in activities to help them get jobs, training, and education.
- The Earned Income Tax Credit (EITC) has been expanded. From the maximum of \$1000 when the President took office, the maximum will reach more than \$2500 in 1995.

Other accomplishments include AMERICA 2000 and expansion of Head Start.

Pending Proposals

The President's welfare reform proposals that have been pending before the Congress include:

- The Community Opportunity Act, proposed in May 1991. This proposal would create the broadest possible waiver authority for changing the rules and incentives in federal programs. It would also allow proposals to come forward from state and local government as well as grass roots groups.
 - Increase in AFDC assets limit. States would be allowed to raise the amount of assets a family could hold and still stay on welfare from \$1,000 to \$10,000
- Sandra Rosado
- Escrow Savings Accounts.

The President's Proposal

The President's proposal affirms his commitment to state innovation through expeditious review of welfare waiver requests, identified areas where further innovation is required, and makes the commitment for rapid federal review of proposals in this area and calls for additional statutory flexibility to lessen constraints on state and local government and to allow new ideas that reach across the various programs that may benefit a single individual.

Review of welfare waiver requests

Since the President make his commitment in his State of the Union address to facilitate state efforts at welfare reform, seven waivers have been requested by six states and five have been approved. Requests from Wisconsin, Oregon, Maryland, California, and New Jersey have been approved; a request from Utah is under review.

Areas in need of innovation

The Administration today identified three areas where further innovation is important. Those areas are:

- (1) Providing comprehensive services for teen parents;
- (2) Promoting parental responsibility, and
- (3) Encouraging self-sufficiency.

Interventions for unmarried teen parents were identified as the highest priority. These individuals are the most likely to become welfare recipients, especially long-term recipients.

Waiver proposals in these areas will be reviewed within thirty days of receipt.

Legislative changes

The President called for legislative changes to expand waiver authority, provide greater program flexibility and strengthen programs.

1. Expanded waiver authority

Waiver authority comparable to the broad authority that today applies to AFDC will be proposed for Food Stamps and federally subsidized housing programs.

Also, the Administration will propose a targeted version of the Community Opportunity Act (COA) proposal it offered last year. The COA would allow states and communities to undertake broad reform programs that cut across multiple program lines. The new proposal, the Limited Authority for Local Solutions Act (LALSA), would make the authority initially available for projects in five sites.

Waiver authority will also be proposed to allow the Davis-Bacon Act and the Fair Labor Standards Act to be waived to allow public housing residents to work in public housing improvement projects.

2. Greater program flexibility

Legislation will be proposed to allow greater flexibility to state and local official. The greatest additional flexibility will affect work requirements for welfare recipients.

The legislative changes will:

- Allow inclusion of Food Stamps and the actuarial value of Medicaid in determining the amount a welfare recipient must "work off" as part of a workfare program;
 - Remove limitations on using already established positions for welfare recipients transitioning to work using welfare program-financed work supplementation as well as limitations on supplanting public employees with welfare recipients;
 - Together these changes will allow states to operate, without seeking federal waivers, time limited welfare programs. States could offer a cash benefit for a time limited period and then require recipients to work.
 - Remove prohibitions on extended job search and requirements for intake evaluation, enabling state and local officials to give job search higher priority above other work-to welfare activities;
 - Allow states to move from a "cash up front" to a "pay for performance" approach for welfare payments, with payment made after the performance of assigned program activities such as schooling or job search.
3. Stronger values
- The requirement that AFDC recipients cooperate in establishing who is the father of their children would be expanded to include all relevant information and cooperation with follow-up efforts.
 - End separate federal requirements for evicting convicted felons from public housing.

WELFARE REFORM:
Adding Rungs to the Ladder of Opportunity
The Bush Administration's Strategy for Welfare Reform

Welfare was never meant to be a lifestyle; it was never meant to be a habit; it was never supposed to be passed from generation to generation like a legacy. It's time to replace the assumptions of the welfare state and help reform the welfare system.

*President George Bush
State of the Union Address
January 28, 1992*

I. Introduction

Welfare benefits and income assistance are intended to provide temporary help for those in need -- enabling recipients to move into the economic mainstream, achieve greater self-reliance and become productive members of their communities. But, the welfare safety net carries a big risk. It has the potential of entrapping able-bodied welfare recipients into lives of dependency. Tragically, too often it has hindered as much as it has enabled recipients to become self-sufficient.

No one recognized welfare's risks more than President Franklin Roosevelt, the architect of the New Deal -- including the program that has become the dominant federal welfare program, Aid For Dependent Children. Roosevelt, a man who persevered to transcend his crippling handicap and a man who understood that there are some things that no one else can do for another person, knew that assistance can harm as well as help. He warned the Nation about the welfare program becoming "a narcotic," and he called welfare "a subtle destroyer of the human spirit." In the years since Roosevelt's cautionary warnings, we have, indeed, seen welfare become a drug that has destroyed the spirit of too many Americans.

President Bush has pledged to reform the welfare system. His goal is to help able-bodied Americans who are in need become self-sufficient and able to reach their full potential. State budgets are strained by the welfare system, working citizens rebel against paying for it, and political leaders in both parties seek to reform it. With an overall dependent population approaching 30 million and total annual budget outlays exceeding \$150 billion, the American welfare system is ready for reform.

This statement of the Bush Administration's strategy begins with the President's principles and goals for welfare reform. It also describes those aspects of the current welfare system that must be changed; the failed assumptions of the nation's welfare programs. It gives a status report on the President's welfare reforms. And, it presents the next steps for carrying forward the President's strategy for transforming a welfare system into an opportunity system.

II. Principles for Welfare Reform

The Administration has one basic overarching goal for able-bodied welfare recipients -- to create conditions that will enable them to leave the welfare system at the earliest possible time as economically self-sufficient and responsible participants in the local community.

Achieving this goal obviously would not end the need for public assistance programs, but it would mean that the welfare system would operate as a ladder to both responsibility and opportunity as well as a safety net to protect recipients. By encouraging personal

responsibility and independence, reformed policy will end welfare dependency and create opportunities for recipients to become productive members of society.

We seek to promote family responsibility by promoting work effort; educating individuals to understand the responsibilities of the childbearing decision; to encourage the rearing of children in families where both parents are present to make their full contributions; to encourage marriage and encourage families to stay together; and to promote school attendance among children in welfare families.

We will also promote greater economic opportunities by encouraging welfare recipients to enroll in job training programs, helping people start their own enterprises, giving individuals greater incentives to save money, and creating new jobs in areas where welfare recipients are concentrated.

Further, we will focus on sound administration that aims to manage programs efficiently, to prevent fraud, and to deter those who would abuse these programs and undercut taxpayers' support for these public assistance services.

The Bush Administration has worked closely with States seeking to develop innovative welfare programs to achieve the principles of self-sufficiency and opportunity. Many States are already working toward comprehensive programs for teenage parents -- those who are at greatest risk of long-term dependency. These programs encourage teen parents to attend school, live with their parents, and avoid bearing more children outside marriage. Also, plans are underway in many States to use existing flexibility to strengthen work requirements -- to help recipients move from the welfare system to the workplace. In addition, States are working to develop policies that cultivate parental responsibility such as offering incentives for parents to act in ways to the well-being of their children in exchange for receiving benefits.

III. The Current Welfare System: Failed Assumptions

As a result of evolving assumptions about why people are on welfare and changing societal norms regarding the government's role in mitigating the plight of the poor, the welfare system has encouraged abuses and perverse incentives. Their effect has been to belittle the economic opportunities for self-sufficiency among the American poor.

* Beginning with the Progressive Era at the beginning of the century, government reforms on behalf of the poor implicated external, reformable impediments in preventing the advancement of poor Americans. Assuming that individuals were willing and able to advance their own economic interests if given equal opportunities, progressive reformers enacted macroeconomic policies aimed at evening out the advantages enjoyed by different classes and interests.

Throughout the New Deal and the beginning of the Great Society, social legislation continued to attribute lack of employment among the nation's poor solely to correctable economic or social barriers. The Economic Opportunity Act of 1964, coupled with aggressive

macroeconomic intervention to stabilize business cycle fluctuations and special education and training programs, formed the basis of federal attempts to eradicate poverty.

Income transfer strategies emphasized poverty as an absence of income. Income lack could most be solved most efficiently through income transfers. Food Stamps -- today the largest government voucher program -- and Supplemental Security Income resulted. Together with increases in Social Security payments, poverty among the elderly declined.

Similarly, the observation that jobless lacked jobs lead to the simplistic solution offered by Public Service Employment (PSE) created in the 1970s to provide short-term government jobs for the unemployed. The result was a program subject to abuse and offering scant evidence that it improved participants' transition to permanent, private sector employment. *

None of these programs changed the forces that shaped welfare dependency. ADC, later called Aid to Families with Dependent Children, began with the assumption that widows with children would be its prime beneficiaries. That assumption has not held; today children born out of wedlock are the most frequent cause of a family being on welfare and widowhood contributes a tiny fraction to the ranks of dependent children.

Nor has the hope that welfare not become a lifestyle been realized. Some half of those on welfare at any time can be expected to be on welfare for eight years or more. The data surrounding this and other current facts about our welfare system are presented in the background section at the end of this paper.

IV. Progress in Welfare Reform under the Bush Administration

Since 1989, the Bush Administration has moved forward with programs that seek to provide welfare recipients with ladders of opportunity. Rungs on this ladder include:

Reforms Underway

Implementation of the Family Support Act. The Family Support Act of 1988 (FSA) shifts the focus of AFDC from being solely a safety net to a ladder out of dependency, from income maintenance alone to income maintenance linked with education and employment. The FSA provides States with broad flexibility to design basic education and welfare-to-work programs that meet the needs of individual welfare recipients. Child support enforcement is also being strengthened through a variety of changes and child support collections are at record levels.

The Job Opportunities and Basic Skills (JOBS) program created in the FSA provides a funding source for welfare-to-work activities. This year, \$1 billion is available for JOBS and over 500,000 welfare recipients are participating in welfare-to-work activities, something that was not happening three years ago.

Expansion of the Earned Income Tax Credit (EITC). An expansion of the Earned Income Tax Credit (EITC) was included in the President's child care initiative and signed into

law in 1990. These changes in the EITC increase the size of the maximum credit and provide a greater return to work for low-income families with children. As a result, the maximum EITC payment will rise from just below \$1000 per family to more than \$2500 per family.

Project HOPE. Greater property ownership by current and former welfare recipients will result from Project HOPE, proposed by the President in 1989, enacted in 1990 and first funded in 1991. The President's budget requests \$1 billion for FY 1993, a 185 percent increase from the FY 1992 level.

AMERICA 2000. The President and the Nation's governors have agreed on six ambitious National education goals for the year 2000. Achieving these goals will bring the greatest reward to welfare recipients and their children. Adults will benefit from continued human capital investment through life long learning; children will emerge from schools with a higher level of skills. No group stands to gain more from attaining the goals than welfare recipients and their children. Forty four states and 1400 communities have declared themselves AMERICA 2000 states and communities. Each has agreed to develop strategies and measure progress towards attaining the goals in their communities.

Since the President took office, the number of children making progress toward goal 1, starting school ready to learn, has increased as the number receiving a Head Start has increased dramatically -- from 451,000 to 780,000 per year. The human capital investment represented by AMERICA 2000 offers vulnerable children the help they need to be successful in school and to obtain the skills necessary to be responsible citizens and compete in a global economy.

Electronic Benefits Transfer (EBT). Other proposals, not directly affecting the welfare system, but affecting the integrity of benefits and the administration of benefit programs include continued implementation and testing of multiprogram Electronic Benefits Transfer. These pilot projects will explore how electronic technology familiar to anyone who has an ATM card can alter the delivery of Federal benefits to eligible recipients, reduce the incidence of welfare fraud, and decrease long range administrative costs.

Reforms Awaiting Congressional Action

Job Training 2000. The Job Training 2000 proposals, announced in January, provide a market-driven system for job-training programs including those that serve the economically disadvantaged. The new initiative will bring greater coordination and efficiency to job training programs -- restructuring the more than 60 separate programs currently operating at a cost of about \$18 billion per year.

The new proposal will also foster more private sector involvement in meeting the needs of a community. In addition, demonstration projects will link the private sector with welfare-to-work programs; private and non-profit firms will function like an employment agency by providing basic training and job placement for welfare recipients, receiving payment for services only if welfare recipients get jobs and remain in them for a specified period of time.

Increase in AFDC Assets Limit. The Administration's welfare-related proposals currently before Congress would remove disincentives to saving for families already on welfare rolls by permitting States to raise the AFDC assets limit from \$1,000 to \$10,000.

Plan for Achieving Self-Support (PASS). At the State's option, income and resources related to the achievement of a recipient's approved plan to move from dependency to self-employment could be excluded when calculating AFDC eligibility and the amount of AFDC benefits.

Escrow Savings Accounts. Plans are underway to demonstrate the effect of "escrow" savings accounts for long-term AFDC recipients working their way off the welfare rolls. This plan will test the effects of setting aside the amount by which a long-term AFDC family's benefits are reduced once the family head takes a job, then paying it in a lump-sum to the family when they succeed in working their way off the rolls.

Enterprise Zones. The Administration has made creation of enterprise zones a high priority. Acting is happening; the House of Representatives passed a version of enterprise zones on _____. Under the Administration proposal, the degree of welfare dependence is one indicator of which communities need such zones. The availability of jobs and opportunity in an individual's community can help that individual find employment.

GI Bill for Children. On June 25, 1992, President Bush transmitted legislation to Congress that seeks to create State and local "GI Bills" for Children. The President's \$500 million proposal would provide 500,000 low-income and middle-income children with \$1,000 scholarships to go to the public, private, or religious school of their family's choice among public and private schools, giving low-income and middle-income families more of the same choices of schools that are now the preserve of wealthy families -- and add an element of competition to America's educational system through enhanced consumer power.

Transferrable Health Insurance Tax Credit. The loss of health benefits provided by Medicaid is often cited as the biggest disincentive to leaving welfare. Today welfare and medical assistance through Medicaid are linked. When a family works its way off welfare, it faces a cliff of \$3,000 or more because six to twelve months after it loses its last dollar of welfare it also loses Medicaid. Under the President's comprehensive health reform plan, a family can leave welfare and still receive help toward the cost of health insurance through a transferrable health insurance tax credit.

V. Further Innovation

While the Family Support Act represents a major step forward, States continue to show interest in pushing beyond its perimeters. This is not surprising. The recent history of welfare reform shows the federal government moves most soundly when it works with the States, allows them flexibility, and puts to work the results learned in these laboratories. The Family Support Act's approach to welfare-to-work reflects the lessons learned through a decade of innovation in the states.

Most recently, the passage of the FSA has not ended state interest in innovation. The range of ideas already being tried in the states appears in Appendix A. The States are eager to move on in the welfare reform agenda. The States are especially interested in promoting personal responsibility in exchange for receiving benefits. At the same time, states plan to expand AFDC eligibility to two-parent families and require specific parental responsibilities, including receipt of preventive health services and regular school attendance as a condition for benefits. Welfare reform measures could reduce the incentives to migrate in search of higher benefit levels by paying AFDC benefits for a specified time period at the level of the State in which the recipient previously lived.

All of these reforms need testing to determine if they are effective in achieving the Bush Administration's primary goals of strengthening families and promoting self-sufficiency for welfare recipients.

VI. Welfare Reform in the Bush Administration: The Next Steps

In his State of the Union address, the President pledged the assistance of the federal government in approving waivers required for State welfare reform efforts, saying:

We are going to help this movement. Often, State reform requires waiving certain federal regulations. I will act to make that process easier and quicker for every State that asks for help.

Ongoing Demonstrations

As promised, States' waiver proposals are being reviewed by Senior Administration officials as soon as a waiver request is submitted. Interagency groups track proposals closely as they are received to ensure expeditious review by the appropriate agencies.

Since the State of the Union, five States -- Wisconsin, Oregon, Maryland, California, New Jersey and Utah -- have had six AFDC research waiver proposals approved. Using the President's new process, Wisconsin's request was approved 22 days after submission. This new process depends on coordinated review among the White House, the Department of Health and Human Services, and Office of Management and Budget.

These waivers try:

- New incentives for teenage welfare recipients to work and marry.
- Limits to additional payments for additional children conceived while a mother is receiving welfare;
- Increases in earnings that can be received before welfare payments are reduced;
- Require participation in education and employment-related services.

The full scope of these waivers is outlined in Appendix B. Approval of a state's waiver request does not mean the Administration supports all aspects of the policies included in the waiver. Rather, approval of a waiver demonstrates strong support for federalism and a belief that the projects represent a package where changes are worth trying on an incremental basis.

The Administration's current welfare reform waiver criteria, as described in the President's 1993 Budget, are designed to provide maximum flexibility and expedited approvals, consistent with the research and demonstration purpose of current waiver authority.

The demonstrations should include rigorous evaluation, with rigor proportional to potential financial and programmatic importance. A high standard of rigor is required for projects that, if broadly implemented, could significantly affect family structure, work effort or program costs.

Waivers must be budget neutral to the Federal government over the period of the demonstration, with periodic comparisons of actual demonstration costs versus costs that would have occurred in the absence of the demonstration. The participating State and the Federal government share the costs of a specific project and all states benefit from the knowledge gained. Waiver projects may include almost all program participants in a State, provided that an appropriate evaluation approach is maintained.

* The Administration has made substantial strides in fostering self-sufficiency through welfare-to-work and education programs encouraging individuals to view welfare as a stepping stone to a more productive life. More must be done, however, if welfare reform is to improve individual, family, and community life.

Next Steps: New Demonstrations

Employment is the best way to reduce welfare dependence, and getting a job -- any job -- provides work experience, encourages good habits, and may lead to a better job in the future. Encouraging welfare recipients to finish high school, to enroll in further vocational training, or to begin apprenticeship programs may help bring about that outcome. Reform efforts must build on the Family Support Act, strengthening work requirements and extending requirements for responsible behavior to areas beyond employment and child support enforcement.

In order to facilitate State-level innovation, the Administration will pursue innovations that can be accomplished within current law as well as propose legislation that will allow for further progress. Under current law, Federal-State cooperation is possible to encourage an interest in welfare reform and in the development of waiver proposals that fit their needs. Current law also makes possible the encouragement of specific waiver proposals that offer promise in advancing the overall cause of welfare reform. *

Current demonstration-waiver authority within the Social Security Act and the Food Stamp Act is intended to allow States to carry out research projects and not to permit States to make permanent changes to their programs. Successful demonstrations must lead to

legislative changes to give States the option of adopting the alternative practices proved to be effective. For instance, successful demonstrations by the State of Utah led to a positive change; the Family Support Act now permits States to limit the benefits provided under their AFDC Unemployed Parent programs so that welfare cannot become a permanent way of way for couples and to make benefit payments like a paycheck, paid after satisfactory completion of assigned activities. The Reagan-Bush Administration supported this legislation permitting States to adopt Utah's approach on a permanent basis. Similarly, the Administration is forwarding to the Congress legislation to provide States with options to adopt other practices proved effective in demonstrations.

The President has written all Governors informing them about the steps we are now taking to facilitate waivers. Through various means, States are being provided with information on the waiver process and waivers that the Administration seeks to encourage.

Administration representatives will consult with Governors as a follow-up to the President's letter, and we are responding to grass roots interest to shape State proposals. Waivers affecting welfare programs will also become part of the Administration's strategy to fulfill the National Education Goals and pursue the objectives of AMERICA 2000.

Waivers: Areas of Importance

The Administration encourages States to request waivers involving approaches to reform welfare that we believe it is particularly important to test. These areas are important because the need to do better is great and current knowledge about how to do that is unequal to the task. Those approaches include those:

- (1) providing comprehensive services for teen parents,
- (2) promoting parental responsibility, and
- (3) encouraging self-sufficiency.

For State programs involving any or all of the interventions enumerated below, a waiver will be reviewed in thirty days, subject to the State's including an appropriate evaluation plan and method for ensuring Federal cost neutrality in its proposal.

The Administration believes that determining what comprehensive programs for unmarried teen parents are effective must be of highest priority. Such interventions are necessary to help end the cycle of dependency that begins with teenagers having children and not completing high school. Welfare recipients who had children out-of-wedlock as teens, who have not completed high school and who do not have a significant history of work need the longest ladders to climb up from dependency. HHS has already announced the availability of funds for the current fiscal year for projects that take a comprehensive approach to teen parents, including joint siting of services and coordination by a primary case manager.

Elements of comprehensive programs, not all of which require waivers, that should be tried and rigorously evaluated include:

- Requiring teen parents to attend school, as the Family Support Act requires for teens who have not completed high school;
- Requiring teen parents to live with their parents;
- Providing mandatory parental training and counseling to all teen parents, regardless of whether participating in welfare-to-work activities;
- Providing the necessary child care and comprehensive services for children of teen parents;
- Offering bonuses to teens who attend school and penalties to those who do not attend;
- Cooperating with school systems to test model educational programs to encourage at-risk teenagers to stay in school -- including both interventions that use services and those that use incentives such as promises of scholarships to those who graduate from high school without parenting.

The Administration also encourages waiver proposals that promote parental responsibility. The effects of allowing and requiring non-custodial parents of AFDC children to participate in JOBS are being tested and could be expanded. States can require that absent fathers who are not meeting their child support obligations, or who receive Food Stamps or general assistance from State-run programs participate in work or training. Parents must be held accountable for their responsibility to their children. Maryland is trying plans that sanction recipients who do not ensure that their children receive recommended immunizations; receive appropriate health screening and preventive health services; and regular school attendance encouraged by projects underway in Wisconsin and Ohio.

Waivers and Flexibility: Broader Statutory Authority

Beyond expediting state waiver requests and encouraging State initiatives through exercise of authority in current law, the Administration proposes to expand waiver authority for States. First, the Administration has proposed to expand the provision in the Social Security Act that allows granting waivers to states to allow waivers to include all categorical Federal-State programs authorized in that statute. The Administration also proposes to expand similar waiver authority to the Food Stamp Act and the Housing Act of 1937. This will encourage cities and States to test ways to integrate services and benefits and straighten out the tangle of program rules that make it so difficult to promote employment among those who benefit from several programs at once. States could, for the first time, try a unified set of incentives across housing assistance, Food Stamps, and AFDC.

While incremental additions to waiver authority are useful, the Administration believes that the process of making federal programs work as part of an opportunity society rather than a welfare society requires more serious and far reaching efforts to break the mold, put the current approach aside and start anew. Last year the Administration proposed the Community

Opportunity Act as a means to break down the walls between Federal programs and State and local institutions.

Former President Carter recently met with President Bush to discuss The Atlanta Project, an effort to address long-term poverty, welfare dependency, and urban decay in Atlanta. Flexibility in the application of federal rules and requirements (rather than more resources) tops Atlanta's list of how the federal government can be helpful. Were the Community Opportunity Act to be enacted into law, the broad flexibility that Atlanta seeks would be possible. This proposal would allow states, local government, and non-governmental groups to propose projects to increase opportunity in communities and restructure the flow and operation of federal funds in the community.

The Administration reaffirms its support for the Community Opportunity Act. However, there are serious institutional impediments to favorable Congressional action on legislation that cuts across several committees. To facilitate Congressional action, the Administration will submit new legislation, called the Limited Authority for Local Solutions Act (LALSA), that applies the principles of the Community Opportunity Act on a more targeted basis.

Through the LALSA initiative, innovative programs will be fostered at the local level. Sites will be selected through a competitive process on a limited basis, by limiting to five the number of sites in which community opportunity projects could initially operate.

Other options will be made available on demand by States through additional legislative flexibility. The Administration will promote the principles of encouraging individual responsibility and economic independence. The Administration will propose the option of strengthening work requirements for welfare recipients by allowing Food Stamps and the insurance value of Medicaid to be included when calculating the welfare amount to be "worked off." Another proposal focuses on welfare-to-work JOBS programs on attachment to employment rather than classroom training. Still another option waives Federal regulations that pose a barrier to work in exchange for welfare.

Successful programs that emphasize job placement include the San Diego, California, Saturation Work Incentive Model (SWIM) and the Riverside County, California, GAIN program. These programs emphasize job search, with less emphasis on classroom education than most JOBS programs. The Administration will propose legislation to encourage other States to put these successful models in place.

Certain Federal limitations pose barriers to effective work programs and should be repealed.

First, current law prohibits workfare assignments for AFDC recipients if these assignments supplant work of regular public employees. The Administration supports repeal of this provision because it means that States are hindered in turning welfare checks into pay checks.

Second, the Administration proposes to allow States to calculate the necessary workfare hours -- up to 40 hours -- based on the total amount of means-tested benefits that the family is receiving, that is, the combined value of AFDC, food stamps, housing aid and the insurance value of Medicaid.

Third, the Administration proposes to allow States to pay AFDC benefits to single-parent families like a paycheck, based on satisfactory attendance and performance in a JOBS activity rather than as a check for the coming month.

Finally, the Administration believes that current limitations on duration of job search should be removed.

The effect of these changes would allow states to impose a time limiting of welfare. A state could propose to limit the period during which a welfare recipient receives cash assistance without any obligation to work. At the end of that period, if an individual is still receiving welfare, that individual could be required to work in exchange for receiving a cash AFDC benefit. The only barrier to implementation of a time limited benefit would be a state's willingness to administer such a program.

The Davis-Bacon regulations and the Fair Labor Standards Act keep wage levels artificially high for certain occupations. Building on agreements that allow Davis-Bacon to be waived for self-help programs, the Administration proposes that the Fair Labor Standards Act also be waivable.

VI. Conclusion

The Bush Administration is committed to reforming our welfare system to break the cycle of dependency that for too long has poorly served our neediest citizens.

Instead of perpetuating dependency, we must promote personal responsibility and economic independence for all Americans. We must ensure that our welfare system strengthens families. And, we must create economic opportunities for welfare recipients by providing them with job training and education.

This is a strategy that rejects reform by centralized design conceived, enacted, and controlled from Washington, DC. Beginning with flexibility and innovation at the State level, welfare programs can provide the opportunity for productive and meaningful lives. The talents and abilities of the adults who head welfare families and the children of those families are too precious to waste. The reforms described in this paper are designed to tap into potential of all Americans to help meet the challenges of the next century.

APPENDIX A - WELFARE WAIVER ENACTED PRIOR TO STATE OF THE UNION

<u>Welfare Reform Initiative</u>	<u>Where initiated</u>
Automate case management system to improve efficiency.	CA
Evaluate newly implemented Job Opportunity and Basic Skills programs.	CA, GA, MI, OH, OK
Assist non-custodial parents to find employment so they can share in the costs of raising children.	FL
Post-welfare education and training programs to increase earnings and reduce recidivism.	IL
Mandatory work/education programs beyond those in the Family Support Act of 1988.	OH
Cash incentive payments for training/employment.	MD, WA
Increase Medicaid/child care benefits for those just leaving welfare to encourage employment.	TX, WA
Immediate wage-withholding for child support to increase non-custodial support payments.	NJ
Increase earnings disregards to enhance incentives to work.	NY
Food Stamp Cash-out, providing cash equal to value of stamps.	NY, WA
Free child care for full-time workers.	NC
Programs to encourage self-employment and entrepreneurship.	WV, IA, MD, MI, MN, MS
Various approaches to expanding employment and training programs.	AL, WA, OH, WI, CA

APPENDIX B - WELFARE WAIVERS REQUESTED SINCE THE STATE OF THE UNION

<u>Welfare Reform Initiative</u>	<u>Where initiated</u>
Change 100-hour rule that limits welfare eligibility of working persons.	WI, NJ, CA
Mandatory work/education programs beyond those in the Family Support Act.	WI, OR, NJ, UT
Cash incentive payments for training/employment.	UT
Increase Medicaid/child care benefits for those just leaving welfare to encourage employment.	NJ, UT
Increase earnings disregards to enhance incentives to work.	WI, NJ, CA
Allow more married teenagers to qualify for AFDC thereby eliminating incentives not to marry.	WI
Limit additional benefit payments for children born to AFDC families.	WI, NJ, CA
Require pregnant AFDC recipients to obtain prenatal care or risk losing additional allowance.	MD
Increase payments for families whose children get immunized and attend school.	MD
Reduce AFDC benefits for those staying on the rolls more than six months.	CA
Award new State residents the same level of benefits that they received in their previous State of residence for a specified period of time.	CA, WI
Assist non-custodial parents to improve parenting skills and obtain jobs.	WI
Assessment prior to AFDC application to divert families that may need only one-time assistance.	UT
Allow State to require JOBS participants to continue job-search activities without time limits.	OR
Apply sanctions for failure to comply with education/employment programs.	OR
Require mothers who are minors themselves to live with their parents.	CA

30 JULY 1992

Panel Approves 25 Enterprise Zones

Senate Tax Bill Excludes Capital Gains Break Sought by Bush

By Eric Pianin
Washington Post Staff Writer

The Senate Finance Committee last night unanimously approved a \$21.8 billion tax bill, including about \$2.5 billion to create 25 enterprise zones and provide a number of tax incentives to encourage investment in depressed urban and rural areas.

The incentives include a 40 percent credit against the first \$20,000 of wages paid to each employee living within the zones, expansion of a targeted jobs tax credit for those employing zone residents and an increased expense allowance and accelerated depreciation of property.

Sen. Lloyd Bentsen (D-Tex.), chairman of the committee, excluded from the package a break on capital gains taxes for investors in the enterprise zones that the Bush administration insisted be included in a version passed by the House on July 2.

But the bill has a number of other economic growth measures favored by the administration, such as a one-year, 15 percent tax allowance for equipment installed before next July and a \$2,500 tax credit for those who purchase their first home before next January.

Administration officials and Republican leaders indicated that they would likely go along with the bill, even without the capital gains provision.

Asked whether the Republicans would try to force the issue on cap-

ital gains when the bill reaches the Senate floor, likely next week, Minority Leader Robert J. Dole (R-Kan.) replied, "Why do it? You don't have the votes."

Bentsen, who drafted the tax bill, argued that his approach would give depressed areas such as riot-torn Los Angeles immediate up-front benefits, rather than providing capital gains tax cuts that would not take effect for at least five years. He also proposed creating only 25 experimental urban and rural enterprise zones, compared with the 50 approved by the House.

"We don't know if this much discussed but little-resolved idea works," he said. "Our best chance stands with funding fewer zones to better capitalize the hopes of each one. Fewer, so we can monitor each more closely."

The rioting touched off in Los Angeles April 29 that left at least 49 dead prompted President Bush and congressional leaders to pledge speedy action on long-term assistance to help economically depressed and crime-ridden sections of urban areas.

But as concern about the riots has begun to subside, the proposed urban aid package gradually has evolved into a much broader tax package that, among other things, provides incentives for the middle class to save, provides tax breaks for businesses, extends nearly a dozen popular tax breaks that recently expired and repeals the luxury tax on boats, airplanes, jewelry and furs.

The bill, which revives a number of tax provisions contained in a Democratic tax bill that Bush vetoed last spring, also would restore to all taxpayers a \$2,000 a year deduction for contributions to Individual Retirement Accounts.

It would permit non-deductible contributions to new special IRAs that could be withdrawn after five years without being subject to taxes.

Funds could be shifted from traditional IRAs to the special IRAs without paying a 10 percent early withdrawal penalty.

And there also would be no penalty for early withdrawals to buy a first home, for college tuition, for medical expenses or for those who have been out of work a long time.

The Joint Committee on Taxation estimates that the IRA proposals, backed by Bentsen and Sen. William V. Roth Jr. (R-Del.), would cost \$7.75 billion over five years, but the tax-break is open-ended and would cost the Treasury untold billions in the future.

The bill is peppered with measures important to special interests, including the restoration of passive loss tax breaks for the real estate industry.

Another provision would enable tax-exempt organizations to avoid paying taxes on corporate contributions for cultural and sporting events.

Beneficiaries would include colleges receiving corporate contributions for football bowl games.



JUL 9 1992

MEMORANDUM

TO: Heads of Operating Divisions
Heads of Staff Divisions
Regional Directors

FROM: Robin H. Carle
Chief of Staff *[Signature]*

SUBJECT: HHS Record Under Bush-Sullivan

Attached is an updated version of the HHS record under the Bush-Sullivan tenure.

This is a must read for everyone; these highlights make great talking points as you are out on the road representing the Administration. Also, please share this information with your staff.

Thank you for taking the time to look this material over carefully. Call OASPA at 690-7850 for additional copies.

6343

Attachment



HHS HIGHLIGHTS

The Bush-Sullivan Record

Under the leadership of President George Bush and Secretary Louis W. Sullivan, M.D., the Department of Health and Human Services (HHS) has moved aggressively to address our nation's most pressing health and social problems.

With some 250 domestic programs, HHS has the federal government's largest budget — accounting for almost 40 percent of all federal spending. The two largest federal programs, for example — Social Security and Medicare — are part of HHS.

The period since President Bush took office has been among the most dynamic in HHS's history. Among the highlights:

- A comprehensive program for reform of the nation's health care system that will provide all Americans access to affordable health care, reduce the rapid growth of health care spending, and assure the security and continuity of Americans' health care coverage.
- Major new initiatives addressing the problems of infant mortality, immunization, lead poisoning, tobacco use, child abuse and neglect, alcohol and drug abuse, minority males, and women's health.
- A revitalized Food and Drug Administration, the most sweeping overhaul of its food labeling regulations in over fifty years, and major reforms in its drug approval process.
- A major focus on health promotion and disease prevention via development and release of "Healthy People 2000," a targeted, comprehensive health promotion and disease prevention strategy for America, and an increase in funding of more than 56 percent since 1989.
- A new priority on America's children, with funding for children's programs nearly doubled, and creation of the Administration for Children and Families, which combines HHS's wide array of programs for children and families within a single operating division.
- Increased support for biomedical and behavioral research, with an increase in funding of 35 percent supporting a record number of research projects.
- Greatly intensified efforts on HIV/AIDS prevention, on educating the public about HIV/AIDS, and on speeding the availability of drugs and services to the HIV/AIDS affected.

The following pages offer a capsule summary of many, but by no means all, of the outstanding accomplishments achieved by the Department of Health and Human Services under the Bush/Sullivan stewardship.

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COMPRHENSIVE HEALTH CARE REFORM

President Bush's program for comprehensive reform of America's health care system, announced Feb. 6, 1992, uses market forces and incentives to forge a less costly, more efficient system and provides *access, security, affordability, and choice* for all Americans.

Access to health insurance for the poor — The Administration is currently preparing legislation which will provide transferable health insurance tax credits (certificates) of \$1,250 for individuals below the poverty line, \$2,500 for such married couples and other two-person families, and \$3,750 for such families of three or more. Credits of smaller amounts will be provided for persons with incomes up to 150 percent of the poverty level.

New help for the middle class — The Administration's legislation will allow up to \$3,750 in health insurance costs to be deducted by families with incomes less than \$80,000. The Administration has already submitted to Congress legislation to allow self-employed persons to deduct 100 percent of the cost of health insurance from their tax returns.

Together, the above tax provisions for the poor and middle class will help more than 90 million Americans, including 95 percent of the uninsured.

Insurance security for all Americans — The Administration has submitted to Congress the "Health Insurance Market Reform Act of 1992" which will disallow exclusions for pre-existing conditions once a person has coverage. This will make it much easier to keep health insurance when changing jobs.

Increased affordability of health insurance — The "Health Insurance Market Reform Act" will allow smaller businesses and individuals to be pooled into larger groups — so they can receive the same favorable health coverage enjoyed by large employers. Health Insurance Networks will be established for group purchasing by small employers. This legislation will also protect health plans from laws which discourage coordinated care, and from costly state-mandated benefit laws.

Major malpractice reform — The Administration is currently preparing legislation to provide comprehensive liability reform to reduce the cost of medical malpractice and the resulting defensive medicine that now burdens the U.S. health system.

Reduced administrative costs and other savings — The Administration has submitted to Congress the "Medical and Health Insurance Information Reform Act of 1992" which will foster the development of an electronic network to simplify claims for consumers and improve information exchange throughout the health care system. Electronic billing alone will save an estimated \$4 billion in annual administrative costs. Automated clinical information will reduce unnecessary and harmful care, saving an estimated \$20 billion annually by the year 2000.

Preserving choice — The Bush Administration supports a bill currently before the U.S. Senate that would encourage coordinated care plans in Medicaid. Not only has this method of service delivery proven more affordable, it returns the concept of the "family doctor" to medical practice.

Informed consumers — The President's plan will use the power of an informed marketplace to help control costs by providing consumers the information they need to choose the coverage that best meets their needs.

Expanded services in underserved areas — Many inner-city and rural areas have acute shortages of clinics and doctors. The President's FY 1993 budget proposes an increase of \$105 million to support 126 additional Community and Migrant Health Center sites, 20 more homeless health care grantees, and 6 more health grantees near public housing. An increase of \$20 million is proposed to expand the National Health Service Corps to increase the pool of health professionals serving in shortage areas.

The President's Plan *will not*:

- Include governmental price regulation or rationing of health care;
- Burden small business with new and costly mandates that will stifle the creation of new jobs and be passed on in higher product costs and higher taxes;
- Require massive tax increases like "play or pay" or national health insurance proposals;
- Threaten poor older Americans with benefit reductions or premium increases.

HEALTH PROMOTION/DISEASE PREVENTION

Health promotion and disease prevention efforts offer our best opportunity to reduce preventable disease, disability, and premature death in America. It has been estimated that upwards of 900,000 of the 2.2 million deaths that occur each year are avoidable. Under President Bush and Secretary Sullivan, health promotion and disease prevention activities have become major priorities — the \$8.7 billion proposed for FY 1993 represents an increase of 56 percent since 1989.

Healthy People 2000 — A targeted, comprehensive health promotion and disease prevention strategy for the United States was completed in September 1990. "Healthy People 2000," a 672-page document offering specific goals, is serving as a guide for policies to improve the health of the American people and will do so for the remainder of this century.

"Put Prevention Into Practice" campaign — Announced in June 1992, this collaborative effort of federal, state, private, and nonprofit health organizations is a campaign to help physicians practice better preventive care and help patients become active partners in maintaining their own health. The first phase of the campaign is a passport-size "Personal Health Guide" to enable adults to keep track of immunizations, screening tests, and medical advice.

Infant mortality — The Bush Administration's "Healthy Start" initiative represents a major new effort to reduce the intolerably high infant mortality rate in the United States. Demonstration grants targeted to 15 cities and rural areas with excessive infant deaths are intended to develop techniques for reducing infant mortality rates in these areas by up to one-half in five years. Proposed funding of \$143 million for "Healthy Start" in FY 1993 more than doubles the FY 1992 level.

In May 1992, President Bush unveiled a major national information campaign as part of "Healthy Start." Its purpose is to alert Americans about infant mortality and the importance of helping pregnant women the care they need to have healthy babies.

"Healthy Start" builds on the already substantial resources — some \$5 billion — HHS is spending under President Bush on programs to decrease infant mortality and improve maternal and infant health. They include Maternal and Child Health block grants, support to Community Health Centers and Migrant Health Centers, and the Centers for Disease Control's pregnancy risk assessment monitoring system.

Immunization — In a far-reaching Immunization Initiative to address low immunization rates among certain populations of pre-school children, the Bush Administration is actively supporting innovative, comprehensive approaches at the state and local levels with the goal of ensuring that 90 percent of our children under age 2 are fully immunized by the year 2000. HHS's budget for immunization activities has risen from \$141 million in 1989 to a proposed \$349 million for FY 1993 — an increase of 148 percent.

In May 1992, President Bush announced a "Plan to Improve Access to Immunization Services," prepared by the Interagency Committee on Immunization. It includes 120 activities designed to improve children's access to immunization services.

In addition, grant awards for "Immunization Action Plans" are being extended to 63 projects in all states and U.S. territories (from the original six pilot projects); new "Standards for Pediatric Immunization Practices" have been recommended by the National Vaccine Advisory Committee; and the Centers for Disease Control (CDC) is undertaking a new "National Preschool Immunization Public Information Campaign."

Lead poisoning — The Bush Administration developed a "Strategic Plan to Eliminate Childhood Lead Poisoning," describing actions that can be taken at all levels to help eliminate this disease within 20 years. New CDC guidelines call for less than half of the blood level of lead than previously advised. And new efforts are being initiated to screen children and remove lead from homes, neighborhoods, water supplies, and the air. The Administration has requested an increase of 88 percent in funding for lead poisoning screening and public education activities for FY 1993.

HIV/AIDS — Total HIV/AIDS spending will increase to \$4.9 billion under the President's FY 1993 budget proposal — an increase of 170 percent since 1988.

The widely acclaimed "AIDS Prevention Guide," designed to help parents and other adults give our young people the information they need to protect themselves against the HIV virus, was first released in 1989. It is only one part of a comprehensive program of HIV and AIDS prevention efforts which also include the National AIDS Hotline, the National AIDS Clearinghouse, public service advertisements, and assistance to state AIDS programs. And emergency grants have been awarded for early detection and sexual partner notification programs in areas hard-hit by the epidemic.

The Bush Administration has developed and mandated new safeguards to ensure the safety of the nation's blood supply. The risk of transmission through transfusion has been all but eliminated. In addition, new guidelines affecting health care and public safety personnel and procedures have decreased further the already minimal risk of transmission between such personnel and those to whom they administer.

Tobacco use — Secretary Sullivan has become the nation's leader in the battle against tobacco use — the number one preventable cause of disease and death in America. ASSIST, the largest-ever national program to combat smoking, was launched in October 1991. Its goal is to help more than 4.5 million adults to stop smoking and 2 million more young people never to start. And a model bill for states to use for restricting minors' access to tobacco was developed and released in May 1990. With the President's FY 1993 budget proposal, funding for smoking cessation activities will have increased 42 percent under the Bush Administration.

CHILDREN AND FAMILIES

The Bush Administration is guided by the firm conviction that America's children are our most precious resource and that strong, self-sufficient families represent the basic building blocks of our society. Accordingly, the Administration has committed itself to a greater emphasis on the needs of the nation's children and families. And it is fulfilling that commitment.

Administration for Children and Families — In a major reorganization designed to fulfill the Administration's commitment to strengthening families, the Administration for Children and Families (ACF) was created in April 1991. It combined HHS's wide array of programs for children and families within a single operating division with a staff of over 2,000 and a proposed budget of \$28.3 billion for FY 1993.

Head Start — President Bush's number one National Education Goal is to have every child in America start school ready to learn. During the Bush Administration, Head Start, the early childhood development program for low-income children, has witnessed the largest expansion in its history. For FY 1993, the President has proposed the largest increase ever rease to over \$2.8 billion — up 125 percent since 1989 — and enrollment will reach 779,000, allowing every eligible 4-year-old child whose parents want them to participate to receive the Head Start experience.

JOBS Program — The Job Opportunities and Basic Skills Training (JOBS) program, which assists welfare recipients to become self-sufficient, has now been implemented in all 50 states. JOBS requires states to provide education, training and work activities to welfare recipients. For example, teenage mothers who have not completed high school must go to school on a full-time basis and child care is provided for their children while they attend school. About 523,000 people are now participating in JOBS each month.

Expanded Medicaid eligibility — Beginning in April 1990, Medicaid coverage was required for pregnant women, and children up to age 6, with incomes below 133 percent of the federal poverty level. Coverage of children up to age 19 with incomes below 100 percent of poverty is being phased in. And Medicaid demonstration projects are testing expanded coverage for pregnant substance abusing women and coverage for low income families not otherwise eligible.

The Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program has been greatly enhanced — states are now required to provide children with treatments for conditions discovered during a screening visit, regardless of whether such conditions are ordinarily covered by the state program. And EPSDT providers are now required to perform lead blood level assessments appropriate to age and risk as part of the routine screening. If blood poisoning is detected, Medicaid must cover the cost of treatment.

Child support enforcement — A record-high \$6 billion was collected from absent parents on behalf of their children through the Child Support Enforcement program in 1990, the last year for which final statistics are available. And paternity was established for over 393,000 children born out of wedlock, an increase of more than 54,000 over the previous year.

In May 1992 Secretary Sullivan announced selection of the first seven sites to participate in the "Parents' Fair Share" program, designed to help unemployed and underemployed noncustodial parents meet their child support obligations. And in an effort to achieve even greater progress, the Bush Administration is proposing legislation to further expand the effectiveness and efficiency of the Child Support Enforcement program.

Child Care and Development Block Grants — This new program, begun in September 1991, provides financial assistance to low-income families with a parent who is working or attending a training or educational program. The parent is given a variety of options in addressing child care needs. The purpose of the program is to increase the availability, affordability, and quality of child care.

At-Risk Child Care Program — Established in October 1990, this program provides child care assistance to families who are at risk of going on welfare if they do not receive employment-related child care assistance.

Child abuse and neglect — Under an initiative launched in 1990, HHS is pursuing aggressive activities to enhance public awareness of the problem, to identify knowledge gaps, to formulate a research agenda for the future, and to support innovative prevention and other service-oriented projects.

Service integration — In recognition of the complex and multiple problems of many families, HHS is working with a number of states and local communities to better integrate services. The goal is to focus on an integrated approach to providing assistance which increases the self-sufficiency of families.

WOMEN'S HEALTH

A vast knowledge gap exists between men's and women's health — how, for example, different disease conditions uniquely affect women, and the different prevention and treatment measures women require. The Bush Administration has established women's health needs as a national public health priority and is moving forward with bold, new initiatives.

Women's Health Initiative — The Bush Administration has proposed the largest-ever study of women's health issues. The Women's Health Initiative will, at a cost of an estimated \$500 million over 10 years, track at least 140,000 women to evaluate preventive approaches to cancer, heart disease, and osteoporosis.

Action Plan for Women's Health — Released in September 1991 by the Public Health Service, the Action Plan for Women's Health lists the results of a nationwide assessment of the priority health concerns confronting women and identifies specific goals to be pursued and activities to be undertaken by HHS.

Breast and cervical cancer — The Bush Administration has proposed a 24 percent increase in funding for breast and cervical cancer prevention in FY 1993 — to \$515 million. These funds will be used to pay for mammograms and pap smears for needy women and Medicare beneficiaries, and expand public education efforts on the detection and control of these cancers.

HIV/AIDS and women — The Social Security Administration published regulations listing symptoms for determining disability that, for the first time, take into account the fact that HIV and AIDS may manifest themselves differently in women.

Disability benefits for widows — The Social Security Administration published regulations allowing widows to receive, for the first time, consideration of the same factors to determine disability as those used for workers.

The Surgeon General speaks out — Surgeon General Antonia C. Novello, M.D., appointed by President Bush, has emerged as one of the nation's most powerful voices on behalf of women's health. Her no-nonsense approach — "If you're going to smoke like men, you're going to die like men" — has sparked a new awareness among women of the need to focus more keenly on health promotion and disease prevention issues.

~ OLDER AMERICANS

Our nation's older citizens represent not only a link to our past — but a bridge to the future in the depth of their experience and their adherence to the values representing the best of America. The Bush Administration is committed to safeguarding the interests of our older Americans and to enhancing the quality of their life.

Social Security — President Bush said, in his 1990 State of the Union address, "The last thing we need to do is mess around with Social Security." Because he has held firmly to this commitment, the Old Age and Survivors Insurance fund, from which Social Security benefits are paid, remains financially sound and will remain so well into the next century.

Nursing homes — Major new federal requirements to improve the quality of care in nursing homes and protect residents' rights became effective in October 1990. Also in 1990, a rule was issued which protects nursing home residents from being charged for costs payable by Medicare and Medicaid. And regulations requiring, for the first time, nurse aides in nursing homes to meet training and competency standards were issued in September 1991.

Breast and cervical cancer/Medicare — Because half of all new cases of breast cancer occur in women aged 65 and older, the Medicare program began helping to pay for mammograms, to screen for early detection of the disease, in January 1991. Some 5.3 million women are expected to receive these benefits during the current fiscal year. And Medicare began helping to pay for cervical cancer detection in July 1990.

Prescription drug safety — So far in the Bush Administration, the Food and Drug Administration has issued guidelines intended to encourage drug manufacturers to carry out thorough evaluations on the effects of drugs on people over age 65; and has issued a rule requiring that information about the effects of prescription drugs on the elderly be included in the drugs' physician labeling.

Misleading solicitations/advertising — The Bush Administration has cracked down on the deplorable practices of using terms, symbols, or emblems to mislead the elderly into thinking that solicitations or advertising represents official correspondence or endorsement from the Social Security Administration or the Health Care Financing Administration (Medicare). Under new regulations, violators now face stiff monetary penalties for such practices.

National Eldercare Campaign — Launched by HHS's Administration on Aging in December 1991, the National Eldercare Campaign is a nationwide, multi-year effort to mobilize the resources of a wide spectrum of individuals, agencies, and organizations on behalf of older persons at risk of losing their self-sufficiency.

Medicare/Medigap — The Bush Administration is implementing sweeping reforms in the supplemental health insurance for Medicare beneficiaries known as Medigap. Beneficiaries may no longer be denied coverage because of pre-existing conditions if they buy

a Medigap policy within six months of becoming eligible. One standard benefit package must be offered by every carrier that fills in gaps such as drug reimbursement. Additional changes will simplify the language of policies.

FOOD AND DRUG INITIATIVES

President Bush's goal for the Food and Drug Administration was to revitalize — and restore public confidence in — the ability of the agency to regulate the safety and effectiveness of food products, medicines, and medical devices. Many of the boldest and most ambitious actions in the agency's history have already been undertaken.

Food labeling — The most sweeping overhaul of food labeling regulations in over fifty years was announced in November 1991. The new regulations will end the confusion consumers now face, eliminate unfounded claims, and — for the first time in our nation's history — provide Americans with the clear, true, and understandable information they need to make healthy dietary choices.

Drug approval — Major reforms in the FDA's drug approval process were announced by Vice President Quayle and Secretary Sullivan in April 1992. Under these reforms, patients with serious and life-threatening diseases will benefit from earlier access to important new drugs; unnecessary regulatory burdens will be eased; and American competitiveness will be strengthened.

Drug effectiveness — In a broad clean-up of ineffective ingredients in non-prescription drug products, the FDA banned 223 ingredients in 19 classes of products in November 1990. The ineffective substances banned range from pine tar in dandruff products to ox bile in laxatives.

HIV/AIDS drugs — In May 1990, the Bush Administration announced the "parallel track" plan for speeding the availability of investigational new drugs for people with HIV and AIDS-related diseases. And in October 1990, the FDA approved dideoxyinosine (DDI), the second drug (AZT is the other) that has been found to be effective against AIDS.

ALCOHOL AND ILLICIT DRUG ABUSE

The toll exacted on health, society, and the economy by alcohol and illicit drug abuse is staggering. In the most recent study, the cost of alcohol problems in America were estimated to exceed \$70 billion a year, with an additional \$44 billion a year attributed to drug problems. Charged with addressing the health aspects of alcohol and drug abuse, HHS in the Bush Administration has moved forward vigorously with bold new initiatives.

ADAMHA reorganization — The Bush Administration has proposed a major reorganization of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) which will allow for enhanced basic research and more effective targeting of alcohol, drug abuse, and mental health preventive and treatment services to the people who need them.

National Training Center — The Bush Administration announced establishment of a National Volunteer Training Center for Substance Abuse Prevention in October 1991. Headquartered in Washington, D.C. with five training sites to be designated in each of the 10 HHS regions, the center will train thousands of volunteers from around the country in effective anti-drug abuse strategies.

Perinatal Addiction Center — Establishment of a National Perinatal Addiction Prevention Resource Center was announced in August 1991. Based in Washington, D.C., the center will provide information, training, and technical assistance for public policy development related to maternal alcohol and drug use, both before and after giving birth.

Grants for addicted women and children — The availability of grants was announced in February 1991 for demonstration projects to seek effective methods of coordinating medical care with drug treatment and other services for Medicaid-eligible, drug-addicted pregnant women and children.

Waiting List Reduction Grants — A \$75 million grant program to help drug treatment facilities to reduce or eliminate waiting lists was begun in 1989. Priority is given to applicants that have the largest waiting lists and the longest average wait for services.

Community Partnership Program — Launched in April 1990, this initiative supports some 150 demonstration grants to fight alcohol and drug problems through community-based coalitions of public agencies and private organizations.

"Campus" Demonstration Program — A \$68 million program launched in August 1991, this program provides funding for communities to introduce a "campus" approach in residential treatment programs, under which as many as five to eight providers using different methods occupy a common facility.

Target Cities Program — In October 1990, eight cities were with populations of 315,000 or more were chosen for demonstration projects to improve city-wide drug treatment systems. About \$58 million has been awarded so far to the original eight cities and a ninth, Philadelphia, joined the program in May 1992.

BIOMEDICAL AND BEHAVIORAL RESEARCH

Biomedical and behavioral research is crucial in our efforts to address many of America's most pressing health problems — diseases such as cancer, AIDS, heart disease, and many others. The Bush Administration has placed a high priority on strengthening our biomedical research efforts and capabilities. Funding has increased 35 percent since 1989 and the President's FY 1993 budget proposal will support over 24,000 research project grants — a record number.

Human Genome Project — The Bush Administration is pushing ahead vigorously in support of the massive effort to map the human genome — literally to understand the information encoded on the human chromosome. Gene mapping will help us understand inherited disorders and could lead to new strategies for the prevention of more than 3,500 diseases of known genetic origin, and to a better understanding of other diseases such as cancer, depression, and hypertension.

Medical treatment effectiveness — In 1989, HHS created an agency to conduct a program of research on medical treatment effectiveness. This research provides scientific information about the most effective medical strategies for practitioners, consumers, employers, educators, and insurers.

Public/private partnerships — The Bush Administration is working to form a greater partnership between public and private research. Laboratories in several Public Health Service agencies are, for example, collaborating with industry scientists in joint research projects under Cooperative Research and Development Agreements.

MINORITY HEALTH

There remains in our nation a shockingly wide disparity in health status between our white and minority populations. In almost every category of mortality, for example, minority deaths are greater than those of whites. Since our minorities are disproportionately represented among our disadvantaged, many of the programs and initiatives mentioned above have their greatest impact among these groups. However, the Bush Administration has recognized the need to take steps aimed specifically at our minority populations.

Minority Male Initiative — This new special initiative reaches out to young minority males who, as a group, are faced with serious health and social problems at rates far exceeding the population at large. It provides funding to local organizations for efforts to find local solutions to specific local problems, and for demonstration projects to support innovative programs of outreach and service coordination.

The initiative includes program activities of several agencies such as the Minority Male Grant Program, the High-Risk Youth Grant Program, the Critical Populations Grant Program, the Target Cities Grant Program, and the Criminal Justice Program.

Health training and research — The Bush Administration has greatly increased activities for the recruitment and training of minority health and biomedical research professionals. Initiatives include recapitalizing the Health Professional Student Loan Program, Minority Biomedical Research Support grants, and the establishment of a new federal construction program to enable Historically Black Colleges and Universities to improve their research infrastructure.

The National Institutes of Health (NIH) is developing a 4-year plan to increase support for minority health and training, establishing Minority Program Advisory Board, and supporting pilot projects aimed at developing new approaches recruiting and retaining minority students in the health professions.

In May 1992, Secretary Sullivan announced selection of three universities to receive contracts from NIH to create regional summer "Science Enrichment Programs" for high school students from underrepresented minority populations. And in June 1992, NIH and the National Science Foundation agreed to add biomedical sciences projects to three important educational programs serving minority students.

Five Point Plan to Reduce Minority Health Disparities — Secretary Sullivan's Plan will target \$15 million in fiscal year 1993 to improve the health status of minorities, who have significant disparities when compared to the general population. The initiative builds upon the ongoing activities listed above and focuses on five key areas: increasing access to appropriate primary and preventive care in urban and rural areas; increasing the supply of health professionals in underserved areas; encouraging early preventive care for children that includes immunizations and screenings; improving health to enhance learning; and preventing hypertension through enhanced research and education.

DRAFT²

Steve
- Draft² - still no reschedule
- tomorrow final draft
- goal 6 or 8 pages?? Crouse/Nix
Tuesday, July 28, 1992
5:24pm
[welf-ref.ca4]

PRESIDENTIAL REMARKS: WELFARE REFORM SPEECH
RELEASE OF WHITE PAPER
CALIFORNIA
FRIDAY, JULY 31, 1992

Thank you for that warm welcome. (ACKNOWLEDGMENTS) I am
pleased to be here in Orange County ... [local color].

What a wonderful time to be an American. Those who talk
about our nation being past her prime ... just don't have the
vision to see the America that we see. Take the Olympics.

American legends just keep coming out of Barcelona. How
'bout America's Dream Team ... some folks thought their egos
would clash ... but what a show they have given us.

I particularly liked the swimmer, Pablo Morales. At 27
years of age ... after missing out in '84 and not making the team
in '88 ... he came back and earned a gold medal. He's proof
positive that youth and inexperience are no match for maturity
and determination.

Those who talk gloom and doom need to lift their sights ...
they need to realize that "problems" are really challenging
opportunities. In the past few years, we have seen some huge
problems become mighty big opportunities.

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2

We have overcome "communism." That didn't happen overnight and it didn't come easy. It took sacrifice ... and it's taken our entire adult lifetime. But now ... one after another ... nations that we never dreamed would be free ... are now embracing democracy. And, we have the unprecedented opportunity to use our American ingenuity and products ... to help these new nations shape their democracy and to expand our economy at the same time.

We have overcome the threat of nuclear annihilation. Nobody's concerned about bomb shelters anymore ... and, it's only been a couple of months since that historic moment when President Yeltsin and I signed agreements that eliminated nuclear weapons. Now, we have the incredible opportunity ... to expand our international business partnerships and ... at the same time ... channel our defense spending into peacetime prosperity.

We have overcome aggression and tyranny. During the 100 days of Desert Storm, we showed the "Baghdad bully" that he couldn't throw his weight around. And, we're going to keep jerking his chain ... until he straightens up and tows the line. Now, we can go through our cities like a cyclone ... and take back our streets from the crack dealers and the criminals.

We have changed the world ... no question about it. And, now ... we are going to change America. But ... make no mistake ... change for change's sake is worse than no change at all.

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The change must be equal to the challenge. When it comes to the issues we care most about ... our economy ... jobs ... safety on our streets and in our schools ... our families ... change is inevitable. The question is ... who's going to lead the nation through those changes. That means ... trust. Trust is not optional... it is the other side of the "change" coin.

Who do you trust? There's one simple bottom line rule of thumb ... I think you want government run by someone you trust and someone who trusts the American people to make their own decisions about home and family, about health care, school choice, and government regulations.

On the many of the important issues this nation faces ... the American people would reach one solution and the government bureaucracy would reach another. Take Welfare reform as a case in point. That is at the top of our agenda today.

America stands at a crossroads regarding welfare benefits. Will we continue to expand our already-bloated government welfare bureaucracy? Or, will we transform welfare from a hand out to a hand up. Our current welfare policies ... however well-intentioned ... are now out-of-date and out-of-line with reality.

Our welfare policies assume that children are a product of marriage ... yet since 1960 the birth rate for unwed teens has

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tripled. Back in 1970 ... 12 percent of all children lived with only one parent and 1 in 5 of those children lived with a widowed mother.

In 1991, the situation was drastically different. The percentage of children living with one parent jumped to 26 percent of all children and only 1 in 19 lived with a widowed mother.

This explosive increase in single parent families ... is from lack of family formation and divorce. Currently, more than 1 out of every 3 children lives with a mother who never married. We assume that single parenthood is a temporary condition ... yet the trend persists and the rates are skyrocketing.

These dramatic shifts in family structure have caused an earthquake of devastation to the American family. Tragically, the aftershocks are ravaging our welfare system ... and depleting our social services.

Our current welfare dependent population is approaching 30 million ... that means 1 in every 8 Americans is now on welfare. And ... it's costing the nation over \$150 billion a year. No wonder our State welfare budgets are staggering under the load.

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We can no longer afford help that withholds hope. Those on welfare need to work hard and save for a better future ... but the welfare system says no. They need to help their kids develop a work ethic ... to get a job ... but the welfare system says no. They need nurturing families ... a father and mother in the same house with their children. But, the welfare system says no.

My welfare reforms will bring welfare back to the basics ... back to the tried and proven ... personal responsibility rather than dependency ... tough love instead of the proverbial free lunch.

Today, we are releasing our Welfare Reform White Paper ... which give the details about what we have done ... about what we're doing now ... and about what our next steps will be. You have a fact sheet that hits the high points and you have a copy of the White Paper that spells out all the details.

You will see from this record that we are guided by one basic overarching goal ... to create conditions that will enable able-bodied recipients to leave the welfare system as soon as possible ... as economically self-sufficient and responsible participants in the American dream.

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I'm very proud of what my Administration has accomplished thus far... and ... you can count on me to get the rest of the job done.

My Administration has shifted focus away from the hand-out ... and we have sharpened focus on education ... employment ... and child support enforcement.

We have given States flexibility ... so that they can design education and work programs that actually meet peoples' needs.

I'm also proud of the initiatives that we have taken to help vulnerable Americans -- initiatives that directly benefit the people that need help the most.

Last year, we collected a record-high \$6 billion in child support payments from dead-beat dads. We established paternity for 54,000 more out-of-wedlock children than the previous year. That's over 393,000 children ... from last year alone ... who though our efforts now know who their daddy is ... and we are going to make sure those dads support and nurture those kids.

We're helping kids get ready to learn at school ... we're helping them stay in school and complete school ... or we're helping them get the job skills they need to compete in a global economy.

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We have made the largest expansion in history for the Head Start Program. We have increased funding by ... 125 percent ... to over \$2.8 billion. That means ... every eligible 4-year-old child whose parents want them to participate can receive the Head Start experience.

We have implemented the JOBS program ... Job Opportunities and Basic Skills Training ... in all 50 states. Now that's something I'm very proud of. This program requires States to provide education ... training ... and work activities to welfare recipients.

That means teenage mothers who have not completed high school must go to school ... full-time. It means that more than half a million people must participate in JOBS training each month. Each of these people now has tangible hope ... instead of having their spirits destroyed by the drug of welfare ... or their lives degenerate into dependency.

We are turning the reins of their lives over to them. Now, big government no longer is doing for them what they can and should do for themselves. These initiatives are bringing control back where it belongs ... with the family and community.

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In short ... I pledged reforms ... and we've produced dramatic results. But ... there is still much left to be done.

That's why I want four more years ... we need to complete the job we've started. We have laid the groundwork for solid, effective change ... change that will work ... change that will produce positive results ... not create more problems.

I have sent Congress ... far-reaching legislative proposals ... innovative ... sound initiatives. You can put your trust in us ... these efforts will produce the changes that are needed. How do I know that? We always conduct assessments ... of cost ... of outcomes ... of effectiveness ... and of affect on families and children.

We want to know that a program works before we let it burrow down into the bureaucracy.

The nation can't afford to continue underwriting programs that aren't working. We must get able-bodied welfare recipients off welfare ... that's top priority. That's our goal. That's how we measure success.

Take Sandra Rosato. She saved for college ... she didn't want to be second generation welfare dependent.

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Sandra worked hard ... and accumulated \$1,000. But the welfare system said her family couldn't continue to get benefits while Sandra was saving money.

That's not right. Sandra and others like her should be able to save for college or for a job-training course.

I've communicated with all the nation's governors ... I've asked them to send us waiver requests. I've said ... let's try new approaches ... let's change the things that aren't working.

Five States have applied for and received waivers for innovative ... groundbreaking efforts. Governor Florio and Governor Thompson can tell you about great results. Utah has said to long-term welfare dependents ... you don't get a check 'til you get a job.

Our opponents talk about a New Covenant. I think it's time to talk about reciprocal responsibility ... about accountability.

All those unwed teen parents I talked about earlier ... are going to need extra-long ladders to climb out of the cycle of dependency. Young fathers can't compete with the government handout when it comes to providing for their children. Young mothers ... left to fend for a child on their own ... will end up caught in the safety nets and unable to get loose.

DRAFT #2

I say ... let's trust those States who have shown results ... Wisconsin ... Utah ... California. We cannot continue paying out over \$3.2 trillion in welfare benefits.

Our efforts must provide recipients with tangible help in getting a handle on their future. We must work with the States to develop new ways to help people ... ways guaranteed to get them back on their feet.

My Administration is determined to take initiatives ... we are determined to not just talk change ... we are going to make change a reality: by allowing welfare recipients to save without penalties; by allowing incentives that encourage two-parent households; by allowing children of families on welfare to hold jobs; and by allowing educational and skills-training incentives that encourage self-sufficiency.

Through these efforts ... the Bush Administration is going to reform our welfare system ... and ... break the cycle of dependency that has ... for too long ... poorly served our neediest citizens.

Thank you for your very important role in this significant task. May God Bless you and May God Bless the United States of America.

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DRAFT #2

Crouse/Nix
Wednesday, July 29, 1992
11:40am
[welf-ref.ca5]

PRESIDENTIAL REMARKS: WELFARE REFORM SPEECH
RELEASE OF WHITE PAPER
CALIFORNIA
FRIDAY, JULY 31, 1992

Thank you for that warm welcome. [ACKNOWLEDGMENTS] [HUMOR]

I am pleased to be here in Riverside where you "promote individual independence" in such wonderful ways. Your efforts are an example for the whole nation ... you are a genuine, world-class welfare reform success story. Your focus doesn't waver ... the people in your program are here for one reason ... to get a job. You hold their feet to the fire with tough sanctions ... and you are getting results. You are proving that a combination of help and hope gets results. And, the whole community ... the whole nation ... is behind your efforts.

Yes, indeed, Robby, we are "Proud to Be An American." Those who talk about our nation being past her prime ... just don't have the vision to see the America that we see.

Take the Olympics. Barcelona loves America's Dream Team ... they love the "Larry and Harry" Show. And, how 'bout Pablo Morales ... the 27 year old swimmer ... who earned a gold medal. He's proof positive that youth and inexperience are no match for maturity and determination.

Those who talk gloom and doom about America ... need to lift their sights. Our "problems" are really just challenging opportunities. Just look at how ... in the past few years ... some huge problems ... problems that looked insurmountable ... have turned into wonderful ... big ... opportunities.

We have overcome "communism." That didn't happen overnight and it didn't come easy. It took sacrifice ... and it's taken our entire adult lifetime. But today ... one after another ... nations that we never dreamed would be free ... are now embracing democracy. And, we have the unprecedented opportunity to use our American ingenuity and products ... to help these new nations shape their democracy. At the same time ... we can expand our own economy.

We have overcome the threat of nuclear annihilation. Since that historic moment ... only a couple of months ago ... when President Yeltsin and I signed agreements that eliminated nuclear weapons ... the world has been safe from the fear of nuclear disaster. Now, America has the incredible opportunity ... to expand our international business partnerships and ... at the same time ... channel our defense spending into peacetime prosperity.

We have overcome aggression and tyranny. During the 100 days of Desert Storm, we showed the "Baghdad bully" that he couldn't throw his weight around. And, we're going to keep jerking his chain ... until he straightens up and tows the line. Now, we'll take our cities like a cyclone ... and clear the crack dealers and the criminals off our streets.

We have changed the world. And ... we are going to change America. But ... make no mistake ... change for change's sake won't do. The changes we make must be equal to the challenges of the social ... economic ... and demographic transformations that have swept our nation.

When we are tackling the important problems facing our nation today ... I think you want government run by someone you trust and you want someone who trusts the American people to make their own decisions. On many of these issues ... the American people would definitely reach one solution and the government bureaucracy would reach another.

When it comes down to the bottom line ... America stands at a crossroads. Will we continue to expand our already-bloated government bureaucracy? Or, will we trust the American people to know what's best?

We're here to talk about welfare ... about a system that's broken ... about a system that must be fixed. Everyone agrees ... this is one problem where change is absolutely imperative. We must transform welfare from a hand out to a hand up. I have repeatedly said that our current welfare policies ... however well-intentioned ... are now out-of-date and out-of-line with reality.

PROBLEM #1 -- UNWED TEEN BIRTHS

The first problem we face is a basic one ... our welfare system was designed for an Ozzie and Harriett world. But, today's welfare system has to cope with drastically different ... and infinitely more tragic ... family structures.

Since 1960, unwed teen births have tripled ... and these unwed teen moms generally stay on welfare 10 to 12 years. Far too often the children don't know their dad ... or he's a deadbeat dad. To make matters worse ... these situations usually aren't temporary ... the trends are persistant ... and the rates are skyrocketing.

These dramatic shifts in family structure have caused an earthquake of devastation to the American family. Tragically, the aftershocks are ravaging our welfare system ... and depleting our social services.

Unwed teen parents ... need an extra-long ladder to climb out of the cycle of dependency. Young fathers can't compete with the government handout when it comes to providing for their children. Young mothers ... left to fend for a child on their own ... will end up caught in the safety nets and unable to get loose.

Our opponents talk about a New Covenant. I think it's time to talk about reciprocal responsibility ... about accountability.

I intend to bring welfare back to the basics ... back to the tried and proven ... personal responsibility rather than dependency ... tough love instead of the proverbial free lunch.

My reforms are detailed in the Welfare Reform White Paper that I'm very proud to release today. In there we give the details about what we have done ... about what we're doing now ... and about what our next steps will be. You also have a fact sheet that summarizes the high points of the White Paper.

We have one basic overarching goal for Welfare Reform ... to create conditions to get people off welfare as soon as possible ... by helping them become economically self-sufficient and holding them personally responsible for their part in realizing the American dream.

PROBLEM #2

STATE WELFARE SERVICES AND BUDGETS ARE OVERWHELMED

Our second major problem is all-pervasive ... our welfare systems and budgets can't handle all the people on welfare.

Our current welfare dependent population is approaching 30 million ... that means 1 in every 8 Americans is now on welfare. That's costing the nation over \$150 billion a year. No wonder our State welfare budgets are staggering under the load. In New York ... welfare caseworkers are assigned 170 families ... an impossible task.

My Administration is dealing with this crisis by changing our approach to welfare ... from the hand-out ... to a hand-up. We are focusing on education ... employment ... and child support enforcement.

I'm very proud of what my Administration has accomplished thus far... and ... you can count on me to get the rest of the job done.

Education. A top priority is to start with the kids ... to break the chain of second and third generation welfare by getting kids get ready to learn at school.

We have made the largest expansion in history for the Head Start Program. We have increased funding by ... 125 percent ... to over \$2.8 billion. That means ... Head Start is available for every eligible 4-year-old child ... if their parents want them to participate.

We are also working to help keep kids in school and encouraging them to complete their education. That means teenage mothers who have not completed high school must go to school ... full-time. It means that more than half a million people must participate in JOBS training each month. Each of these people now has tangible hope ... instead of having their spirits destroyed by the drug of welfare ... or their lives degenerate into dependency.

We're also helping those on welfare get the job skills they need to compete. There's no welfare program like a job. All 50 states now have JOBS programs ... these programs require each State to provide education ... training ... and work activities to welfare recipients. Now that's something I'm very proud of and it's making a difference.

Right here in Riverside [success story]

Child Support Enforcement. And we are going after those deadbeat dads.

Last year, we collected a record-high \$6 billion in child support payments. And, through our efforts last year ... nearly 400,000 children [that's equal to the population of _____] now know who their daddy is ... and we are going to make sure those dads support and nurture those kids.

What we're doing ... is turning the reins of their lives back over to people who have lost control. We're giving them another chance at the American dream. Now, big government is no longer doing for them what they can and should be doing for themselves. These initiatives are bringing control back where it belongs ... with the individual, the family and the community.

PROBLEM #3 -- FINDING THINGS THAT WORK

Our third big problem is finding things that work. The nation can't afford to continue underwriting programs that aren't working. And, we can't afford to perpetuate a system that discourages marriage, supports illegitimacy, and perpetuates dependency with multiple disincentives to work.

Those on welfare need to work hard and save for a better future ... but the welfare system says no. They need to help their kids develop a work ethic ... to get a job ... but the welfare system says no. They need nurturing families ... a father and mother in the same house with their children. But, the welfare system says no.

Our Welfare System needs to start saying yes. Take Sandra Rosato. She saved for college ... she didn't want to be second generation welfare dependent.

Sandra worked hard ... and accumulated \$1,000. But the welfare system said her family couldn't continue to get benefits while Sandra was saving money. That's not right. Sandra and others like her should be able to save for college or for a job-training course.

Our Welfare programs must get able-bodied welfare recipients off welfare ... that's top priority. That's our goal. That's how we measure success.

But ... we want to know that a program works before we let it burrow down into the bureaucracy.

Legislation. I have sent Congress ... far-reaching legislative proposals ... innovative ... sound initiatives. These are the kind of efforts that you can put your trust in ... these efforts will produce the changes that are needed. How do I know that? We always test for results ... cost ... outcomes ... effectiveness ... and how the program affects families and children.

[summarize relevant legislation]

Waivers. I've communicated with all the nation's governors ... I've asked them to send us waiver requests. I've said ... let's try new approaches ... let's change the things that aren't working.

Five states have applied for and received waivers for innovative ... groundbreaking efforts. Governor Florio in New Jersey has just received a special exemption that will enable him to experiment with incentives to change dependents' behavior. Governor Thompson can tell you that government programs don't work ... but in Wisconsin they get great results through incentives and sanctions designed to restore family structure. I've already talked about the great things Governor Wilson is doing here in California. And ... many of our states are saying to long-term welfare dependents ... you don't get a check 'til you get a job.

CONCLUSION

In short ... I pledged reforms ... and we've produced dramatic results. But ... there is still much left to be done. That's why I want four more years ... we need to complete the job we've started. We have laid the groundwork for solid, effective change ... change that will work ... change that will produce positive results ... not create more problems.

I say ... let's trust those States who have shown results ... Wisconsin ... Utah ... California. We cannot continue paying out over \$3.2 trillion in welfare benefits.

Our efforts are providing recipients with tangible help in getting a handle on their future. We are working with the States to develop new ways to help people ... ways guaranteed to get them back on their feet.

My Administration is determined to continue taking initiatives ... we are determined to not just talk change ... we make change a reality: by allowing welfare recipients to save without penalties; by allowing incentives that encourage two-parent households; by allowing children of families on welfare to hold jobs; and by allowing educational and skills-training incentives that encourage self-sufficiency.

Through these efforts ... the Bush Administration is reforming our welfare system ... and ... we are breaking the cycle of dependency that has ... for too long ... poorly served our neediest citizens.

Thank you for your very important role in this significant task. May God Bless you and May God Bless the United States of America.

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1st draft for
initial reaction

Crouse/Nix
Monday, July 27, 1992
5:08pm
[welf-ref.ca4]

PRESIDENTIAL REMARKS: WELFARE REFORM SPEECH
RELEASE OF WHITE PAPER
CALIFORNIA
FRIDAY, JULY 31, 1992

Thank you for that warm welcome. (ACKNOWLEDGMENTS)

America stands at a crossroads regarding our approach to welfare benefits. Will we continue to expand our already-bloated government welfare bureaucracy? Or, will we transform welfare from a hand out to a hand up.

I advocate changing the system. American has changed the world ... now it's time to change America. Our current welfare policies ... however well-intentioned ... are now out-of-date and out-of-line with reality.

- Our welfare policies assume that children are a product of marriage ... yet since 1960 the birth rate for unwed teens has tripled.
- Our policies assume that single parenthood is caused by the death of a spouse ... yet the explosive increase in single parent families ... over 240,000 each year ... is from lack of family formation and divorce.

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- Our policies assume that single parenthood is a temporary condition ... yet the trend persists and the rates are skyrocketing.
- Our policies assume that fathers are the sole source of family income ... yet today over 60% of married women with children under six earn an income.

These dramatic shifts in family structure have caused an earthquake of devastation to the American family. Tragically, the aftershocks are shaking the whole country ... ravaging our welfare system ... and depleting our social services.

Our current welfare dependent population is approaching 30 million. Welfare costs are currently exceeding \$150 billion. And, State welfare budgets are staggering under the load.

We can no longer afford help that withholds hope. Those on welfare need to work hard and save for a better future ... but the welfare system says no. They need to help their kids develop a work ethic ... to get a job ... but the welfare system says no. They need nurturing families ... a father and mother in the same house with their children. But, the welfare system says no.

Families haven't been lifted from poverty ... they've been trapped there.

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We tried to do good ... but we ended up doing harm. Like our liberal friends, our hearts were in the right place ... but our efforts haven't freed those who are trapped.

My welfare reforms will bring welfare back to the basics ... back to the tried and proven ... personal responsibility rather than dependency ... tough love instead of the proverbial free lunch. And, these reforms will set the captives free.

Today, in this Welfare Reform White Paper ... we have one basic overarching goal ... to create conditions that will enable able-bodied recipients to leave the welfare system as soon as possible ... as economically self-sufficient and responsible participants in the American dream.

I'm very proud of what my Administration has accomplished thus far. We have completed major renovation of the Aid for Families with Dependent Children (AFDC) program ... through the Family Support Act of 1988 (FSA). This renewal has shifted focus from income maintenance to education ... employment ... and child support enforcement. It has increased flexibility for States in designing education and work programs to meet recipients' needs.

We expanded the Earned Income Tax Credit (EITC) in 1990. This change increases the maximum EITC payment from \$1000 to \$2500.

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I'm also proud of the initiatives that we have taken to help vulnerable Americans -- initiatives that directly benefit welfare recipients ... although they're not limited to those on welfare.

In 1990, our Child Support Enforcement program ... collected a record-high \$6 billion from absent parents to help meet their children's needs. We established paternity for over 393,000 children born out-of-wedlock ... that's 54,000 more fathers identified than the previous year.

Through America 2000 programs, we helped kids get ready to learn at school ... complete school ... or to obtain the skills they need to compete in a global economy. We have made the largest expansion in history for the Head Start Program ... 125 percent ... to over \$2.8 billion. That means ... every eligible 4-year-old child whose parents want them to participate can receive the Head Start experience.

We have implemented the JOBS program ... Job Opportunities and Basic Skills Training ... in all 50 states. Now that's something I'm very proud of. This program requires States to provide education ... training ... and work activities to welfare recipients.

That means teenage mothers who have not completed high school must go to school ... full-time. It means that more than

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half a million people are now in JOBS training each month. Each of these people now has tangible hope ... instead of having their spirits destroyed by the drug of welfare ... or their lives degenerate into dependency.

We are turning the reins of their lives over to them. Now, big government no longer is doing for them what they can and should do for themselves.

We have proposals for Community Enterprise Zones ... with welfare dependence as one indicator of community need. And, we have proposed a \$500 million GI Bill for Children that will enable low and middle income parents choose their children's schools -- whether public, private or religious.

In short ... I pledged reforms ... and we've produced dramatic results. But ... there is still much left to be done. We have begun a good work ... now I am determined to finish the task that is before us.

That's why I want four more years ... to complete the job we've started. We have laid the groundwork for solid, effective change ... change that will work ... change that will produce positive results ... not create more problems.

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I have sent to Congress a number of far-reaching legislative proposals. These initiatives are innovative and they are sound. They are designed to produce the kinds of changes that are needed.

Our programs also always include assessments ... of cost ... of outcomes ... of effectiveness ... and of affect on families and children. We want to know that a program works before we let it burrow down into the bureaucracy.

Let me highlight the legislation that I have proposed ... that I am determined to see Congress pass.

We are increasing the assets limits for families on AFDC. It's a crying shame that kids of welfare recipients can't work to earn money to better themselves. Take Sandra Rosato. She saved for college ... worked hard ... and accumulated \$1,000. But the welfare system said her family couldn't continue to get benefits while Sandra was saving money. That's not right. Sandra and others like her should be able to save for college or for a job-training course.

We are enabling recipients to develop plans for achieving self-support (PASS). And, we are setting up escrow savings accounts for long-term AFDC recipients who want to work their way off the welfare rolls.

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Five States (Wisconsin, Oregon, Maryland, California, New Jersey) have applied for and received waivers for innovative ... groundbreaking efforts. I have written all the governors telling them about these waiver possibilities.

Let me also talk with you about the legislation we have ready to send up to the Hill. We are sending these measures up ... even before the Congress acts on the Bills already before them. And, we'll not rest until Congress does the right thing.

We are encouraging State waivers that build on the Family Support Act ... strengthening work requirements ... and extending requirements for responsible behavior. Utah has successfully made AFDC benefits contingent upon completion of assigned activities. We have asked Congress to let other States adopt practices that are effective in State-wide demonstrations.

I am encouraging States to request waivers for approaches to welfare that will provide comprehensive services to teen parents. So many unwed teen parents will need extra-long ladders to climb out of the cycle of dependency. Too many of our young fathers are unable to compete with the government handout when it comes to providing for their children. Too many of our young mothers ... left to fend for a child on their own ... have ended up ensnared in the safety nets of welfare benefits.

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We are also encouraging the Community Opportunity Act ... to integrate services. When AFDC, Social Security, Food Stamps, and Housing work together ... the barriers to access can be overcome. Our new legislation, called the Limited Authority for Local Solutions Act (LALSA), will make it easier for the Community Opportunity Act to meet local needs.

These and other efforts provide recipients with tangible help in getting a handle on their future. These are new ways to help people ... ways guaranteed to get them back on their feet.

Here in California, the SWIM (Saturation Work Incentive Model) and the GAIN () are successful programs that encourage job search activities then offer appropriate classroom education. We have proposed legislation that would allow the implementation of these programs by any State.

Our initiatives don't just talk change ... they make change a reality: by allowing welfare recipients to save without penalties; by allowing incentives that encourage two-parent households; by allowing children of families on welfare to hold jobs; and by allowing educational and skills-training incentives that encourage self-sufficiency. Through these efforts ... the Bush Administration is committed to reforming our welfare system to break the cycle of dependency that for too long has poorly served our neediest citizens.

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Thank you for your very important role in this significant task. May God Bless you and May God Bless the United States of America.

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1517 words = 15 minutes

EXECUTIVE OFFICE OF THE PRESIDENT

24-JUL-1992 12:08PM

TO: SUSAN M. NIX
FROM: JANICE S. CROUSE
OFFICE OF COMMUNICATIONS
SUBJECT: WELFARE REFORM -- RELEASE OF WHITE PAPER

GOOD NEWS: HEY, HEY, HEY -- WE'RE GOING TO BE WORKING TOGETHER AGAIN -- WELFARE REFORM SPEECH WHEN THE WHITE PAPER IS RELEASED IN CALIFORNIA.

BAD NEWS: STEVE CALLED TO SAY THAT HE WOULD LIKE A DRAFT OF THE SPEECH BY MONDAY. NO RUSH -- WE'VE GOT ALL DAY TODAY.

SO, TO THE DRAWING BOARDS:

PLEASE COLLECT ANY LONG SERIES OR MAGAZINE ARTICLES ON WELFARE REFORM -- NY TIMES RAN A SERIES IN EARLY JUNE, I BELIEVE.

WE HAVE A BIT OF A RUNNING START --- I WROTE THE WHITE PAPER (EDITED IT MIGHT BE MORE ACCURATE) -- TOOK A 95 PAGE PRESIDENTIAL BRIEFING PAPER, REORGANIZED IT, REDUCED IT TO 25 PAGES, AND POPULARIZED IT. ANYWAY, WE CAN USE MUCH OF THAT.

I NEED TO KNOW -- ASAP -- MORE ABOUT THE SPECIFICS OF THE EVENT IN CALIFORNIA. HANS KUTTNER IS THE PERSON IN GAIL WILENSKY'S OFFICE WHO IS THE CONTACT PERSON FOR THE WHITE PAPER (OR ALEX WHITE IF HANS IS ELSEWHERE). HANS MIGHT KNOW ABOUT THE EVENT, TOO.

MILLION DOLLAR QUESTION:

DO WE -- WILL I -- EVER GET DECENT LEAD TIME ON THE SPEECH?????