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FYI ONLY

12-17-96

Welfare
12/16/96

INTERNAL TALKING POINTS ON TECHNICALS PACKAGE
to accompany the Executive Summary

Today, the Secretary of Health and Human Services and the Commissioner of Social Security submitted a report to the appropriate committees of Congress containing proposals for technical and conforming amendments to the welfare reform bill enacted August 22, 1996.

- ▶ The report was developed pursuant to a requirement in section 113 of the new law. (It was due 90 days after enactment -- or November 22, 1996)
- ▶ It contains technical, corrective or clarifying amendments only (see Executive Summary for examples). All of the proposals maintain the spirit and intent of the newly enacted legislation. Most of the proposals have no costs, while a few have minor costs or savings.

This report does not contain any major policy changes to the new welfare law. Any policy changes that the Administration wishes to pursue will be submitted separately.

- ▶ For example, the President has discussed the importance of tax credits and job creation mechanisms to help move welfare recipients into the workforce. These proposals are not contained in this package.

The reform of welfare programs is proceeding smoothly, and these technical changes and corrections will further the implementation process. We hope to work closely with Republican and Democratic members of Congress to ensure speedy, bipartisan action on this package.

**Summary of Technical and Conforming Amendments to Personal
Responsibility and Work Opportunity Reconciliation Act of 1996
(P.L. 104-193)**

Implementation of the Personal Responsibility and Work Opportunity Reconciliation Act is proceeding smoothly at both the federal and state levels. To date, 37 states have submitted Temporary Assistance for Needy Families (TANF) state plans, and many have already begun to reform their welfare programs. The changes in other programs are also proceeding smoothly.

Section 113 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) directs the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation with other federal agencies, to submit to the appropriate committees of Congress legislative proposals for technical and conforming amendments necessary to bring the statutory language into conformity with the policies enacted in this new legislation.

A thorough consultation process was conducted among affected agencies to identify provisions in the new law that require technical or conforming amendments to PRWORA. Each proposal includes an explanation of the specific problem that has been identified and a statutory amendment to address the problem in a manner that maintains the spirit and intent of the new law. Early enactment of these technical and conforming amendments will assist the Administration and the States to implement the new law successfully.

Amendments are proposed to the following Titles: Title I (Block Grants for Temporary Assistance for Needy Families (TANF)), Title II (Supplemental Security Income), Title III (Child Support), Title IV (Restricting Welfare and Public Benefits for Aliens), Title V (Child Protection), Title VI (Child Care), and Title VIII (Food Stamps and Commodity Distribution). With the exception of two amendments, which have some costs, we estimate all of the amendments have negligible costs.

The following summarizes the type and nature of the technical amendments contained in this report.

Resolve Inconsistent Terminology: In several instances, the new law inadvertently uses incorrect or inconsistent terminology. For example, PRWORA establishes mandatory work requirements, but uses the phrase "participating in work activities" in some places and the phrase "making progress in work activities" in others. To resolve this inconsistency, an amendment is proposed to use the phrase "participating in work activities" throughout these provisions. (p.6)

Conform Dates: Amendments are proposed to conform or revise a number of dates utilized in the statute. For example, the new law requires states to "look back" to prior AFDC eligibility standards to determine eligibility for Medicaid and for Foster Care and Adoption Assistance. However, the statute utilizes two different look back dates (June 1, 1995 and July 16, 1996) -- creating administrative burdens on the states. An amendment is proposed to use the July 16, 1996 look-back date for both programs. (p.30)

Make Data Elements Uniform: Upon further review of the data and reporting requirements in PRWORA, several amendments are proposed to ensure reference to uniform, accurate and available data sources. The new law does not, for example, specify the data used to calculate historic state expenditures for maintenance of effort purposes. In order to establish a fixed and consistent maintenance of effort level, an amendment is proposed to specify that the same data elements used to calculate the TANF state family assistance grants be used to calculate historic state expenditures. (p.12)

Another data problem arises with the state bonus for reductions in rates of illegitimacy. While the statute explicitly requires the calculation of one data source on a fiscal-year basis, this data is currently available on a calendar-year basis only. Thus, an amendment is proposed to allow calculation of the bonus using the data available on a calendar-year basis in order to avoid the burden and expense of new data collection requirements. (p.3)

Clarify Congressional Intent: Several amendments are proposed to conform statutory language to congressional intent. For example, the new law establishes several penalties on states for failure to comply with various provisions. However, it also prohibits imposition of the penalties in certain reasonable cause instances and then makes specified exceptions to the reasonable cause prohibition. Because the conference report specifies additional exceptions to the reasonable cause prohibition (e.g. failure to repay the loan fund, and failure to replace grant reductions caused by penalties) beyond those included in the statute, an amendment is proposed to include those specified exceptions in statute. (p.18)

Another amendment is proposed to clarify congressional intent with respect to access to federal programs for qualified alien widow(er)s of persons who have served in the military. While the new law prohibits certain federal benefits for qualified aliens, it provides an exception for the spouse or unmarried dependent

child of veterans or active duty military personnel. In order to clarify that qualified alien widow(er)s do not lose eligibility for these benefits when the veteran or active duty personnel dies, an amendment is proposed to except widow(er)s of such personnel from the general prohibition. (p.66)

Close Gaps Between Previous Law and New Statute: In a few instances, the transition from the previous law to the new statute inadvertently left gaps in the application or coverage of various laws. For example, the Attorney General is required to develop a new legally enforceable affidavit of support for aliens entering the country after enactment of PRWORA. At the same time, the authority for states to deem sponsor income for aliens already in the country was repealed with respect to TANF. Because this leaves states with no authority to deem sponsor income for current aliens for TANF, an amendment is proposed to reinstate the previous deeming requirement, and make it applicable to all affidavits of support executed before the effective date of the new requirement. (p.71)

Conform Provisions and Correct Citations: A number of amendments are proposed to correct citations and references in the new law, and to add further conforming amendments.

12-10-96
Welfare

NY State Welfare Plan
December 10, 1996

There were several news stories today that New York might be in jeopardy of losing additional federal welfare dollars because HHS has determined that the state's welfare plan drafted to carry out the new federal law is incomplete.

- New York's welfare plan is currently before HHS. HHS has informed the state that there is a problem with the completeness of the plan, although it is a problem with a solution.
- HHS believes strongly in the opportunity provided to the states under the welfare reform law. HHS is also committed to insure the intent of Congress in the new welfare law -- to move people from welfare to work, to time-limit assistance and to require work and promote responsibility. HHS must certify that each state's plan is complete and contains all of the assurances required by Congress.
- HHS' legal reading is that they cannot provide funding to a state that does not have the legal authority to implement a core element of the federal statute. In this case it appears the state does not have the legal authority to implement the federally required five-year time limit on assistance.

(Background -- Why: Because the state legislature has not passed the Governor's plan. HHS is not saying this directly, however. They prefer to say, simply, that the state does not have the necessary "legal authority" to implement the time limit.)

- HHS has told New York that they can fix their plan (FYI -- without action by the legislature) by proposing to assure HHS that no federal welfare funds would be used to provide assistance beyond the five-year limit imposed by the new federal law. The state would commit that any assistance it provided to families after the five-year limit would derive from state funds only. This is how California completed its plan, now certified by HHS. This solution has been telegraphed to the state. HHS is awaiting further action by New York.
- **TIMELINE:** New York submitted its state plan "Temporary Assistance for Needy Families (TANF)" on October 17, 1996. The state had not at that time undertaken the minimum 45 day comment period required by Congress. After conferring with the state, HHS agreed that the state would conduct a comment period concurrent with the review of its state plan submission. The comment period ended on December 1, 1996.

Q: Is the state really losing \$1 million a day, as reported in the NY Times?

A: That is not an HHS number. The state stands to gain \$450 million in additional federal funds for this fiscal year once its plan is complete.

Drafted and Cleared: KMcKiernan and Michael Kharfen at HHS Public Affairs, 401-9215

12-6-96
Welfare

Talking Points:

The Decision-Making with Regard to Welfare Reform and SSI

December 6, 1996

- **The Social Security Administration has to make a determination as to how to implement the welfare reform legislation, as it affects Supplemental Security Income for Disabled Children.**
 - That is, SSA has to promulgate regulations for implementing those provisions.
- **SSA is still evaluating the implications of the welfare reform legislation, and is evaluating Congress' intent.**
 - That is, SSA is reading the law closely to try to determine precisely what Congress had in mind.
- **The White House is obviously involved in the process:**
 - SSA is part of the Administration; and
 - There are budgetary implications to SSA's decisions as to how to implement these provisions.
- **But, despite what you may have read in the newspaper today, it is not at all clear that SSA's decision will come in time for inclusion in the President's budget.**
 - For the President's 1998 budget, the Administration has to lock in all of its decisions by Christmas.
- **The President's senior advisors have not made a formal recommendation to the President on this issue.**
- **The Administration is continuing to discuss the options available, and their budgetary impacts.**

12-6-96

Welfare

**Radio Address on Welfare Reform
December 6, 1996**

- The President is expected to tape tomorrow's radio address late this afternoon on the subject of welfare reform.

-- You probably want to save it for the address, but if you want to go into detail on what he will say:

- In two bits of news, the President will announce that his Administration has now reduced the welfare rolls by 2.1 million -- a 15 percent decrease since he took office. The President will announce that we are giving the green light to four more states to carry out their welfare reform plans under the new law: California, Nebraska, South Dakota and Alabama. Each of these states is embarking on their own plan to reward and require work and to demand responsibility. (This now brings to 18 the number of states who have had their welfare plan approved under the new law.)
- A draft of the radio address is attached, along with the supportive material we will release with the transcript later today.

Drafted: KMcKiernan

12-6-96

Draft, 12/6/96, 10:30 a.m.

**President William J. Clinton
Saturday Radio Address
December 7, 1996
(Taped December 6, 1996).**

Good morning. This week I had the honor of lighting both the national Christmas tree and the national menorah. Both are symbols of a time of year filled with joy, hope and expectation.

It's a time, too, when we reflect on what we have done, and what is left to do. It's a time to honor our obligations to family and community.

Three months ago, we set out to do all we can to honor a moral obligation for our nation, to help many people in our national community to help themselves. I signed a historic welfare reform law, and it dramatically changed the nation's welfare system so that it would no longer fail our people, no longer trap so many families in a cycle of dependency, but rather help people move from welfare to work.

And it would do so by requiring work of every able-bodied person, by protecting children, and by promoting parental responsibility.

Reforming welfare is something we have been working on for a long time. This change was demanded by all the American people, including those on welfare. Now, welfare has helped many people, but many others on welfare found it difficult to find their way off welfare and could not live up to their best potential. Studies tell us that children born to a life on welfare are more likely to drop out of school, to run afoul of the law, to become teen parents, to raise their own children on welfare. That's not the legacy we want for another generation.

The challenge was to first remove partisan politics from the debate, and to find solutions that would work. We began doing that even before I signed the reform bill. We began by allowing states to test their own welfare reform strategies, giving 43 states the flexibility to require work, impose time limits, and demand personal responsibility. And we saw results -- good results. I am happy to announce today that welfare reform has passed the 2 million mark: New figures from the Department of Health and Human Services show that 2.1 million people have left the welfare rolls since I took office -- a reduction of 15 percent. That means 2.1 million people on their way to building lives with the structure, purpose, meaning and dignity that work provides. That is something to celebrate.

This is just the beginning of welfare reform. We had a choice: to go on as we had, with a system that was failing, or to start anew, to create a system that could give everyone who is able-bodied a chance to work, a chance to be independent. We chose the right way. But passing a new welfare law is just the first step. It now falls to all of us to make sure that

it works.

The next step is for the states to implement the new law by tailoring a reform plan that works for their communities. We have already certified welfare reform plans for 14 states, and today I am pleased to announce that we are certifying welfare reform for 4 more states — California, Nebraska, South Dakota, and [Alabama or Utah]. Their plans will require and reward work, impose time limits, provide child care, and demand personal responsibility. And across the board, as we give welfare funds back to the states, we protect the guarantees of health care, nutrition and child care — all of which are critical to helping families to move from welfare to work.

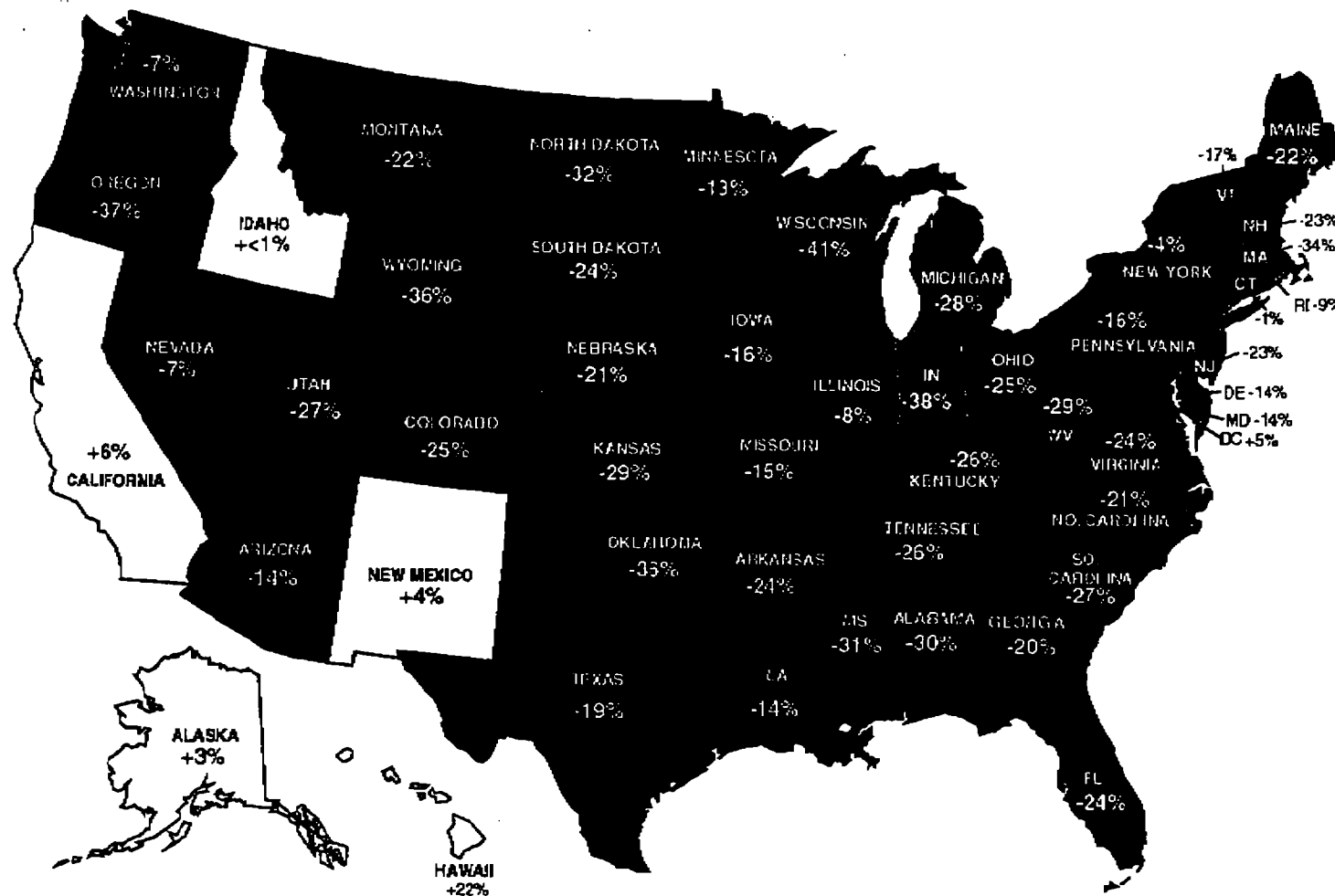
Welfare as we knew it was a bad deal for everyone. We are creating a better deal. We say to every worker: work pays. We have raised the minimum wage and by expanding the earned income tax credit, we allow the working poor to keep more of what they earn. We want to create a million new jobs for people now on welfare by giving businesses incentives to hire people off welfare and enlisting the private sector in a national effort to bring all Americans into the economic mainstream. Together, we can make the permanent underclass a thing of the past.

We all have a moral obligation to fulfill through welfare reform. We need to work together, in our communities, in our businesses, in our churches and schools, to help families reclaim the right to know they can take care of themselves and their own obligations.

Our future doesn't have to be one with so many of our people living trapped lives. The door has been opened to a new era of freedom and independence. Now it is up to us to help all our people through that door, one family at a time.

Thanks for listening.

MORE THAN 2 MILLION FEWER WELFARE RECIPIENTS NATIONWIDE SINCE 1993



Footnote: Nationwide, the number of AFDC recipients has fallen from 14.1 million to 12.0 million since January 1993, an average of 15 percent.

CHANGE IN WELFARE CASELOADS

Total AFDC families and recipients

	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Sept.96</u>	<u>percent (93-96)</u>
	(millions)				
Families	4.963	5.053	4.936	4.326	-13%
	637,000 fewer families				
Recipients	14.115	14.276	13.918	12.003	-15%
	2,112,000 fewer recipients				

Total AFDC recipients by State

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Sept.96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	99,650	-30%
Alaska	34,951	37,505	37,264	36,030	+3%
Arizona	194,119	202,350	195,082	167,410	-14%
Arkansas	73,982	70,563	65,325	56,350	-24%
California	2,415,121	2,621,383	2,692,202	2,548,350	+6%
Colorado	123,308	118,081	110,742	92,980	-25%
Connecticut	160,102	164,265	170,719	158,270	-1%
Delaware	27,652	29,286	26,314	23,740	-14%
District of Columbia	65,860	72,330	72,330	68,860	+5%
Florida	701,842	689,135	657,313	531,490	-24%
Georgia	402,228	396,736	388,913	322,370	-20%
Hawaii	54,511	60,975	65,207	66,510	+22%
Idaho	21,116	23,342	24,050	21,160	NC
Illinois	685,508	709,969	710,032	633,690	-8%
Indiana	209,882	218,061	197,225	131,030	-38%
Iowa	100,943	110,639	103,108	84,340	-16%
Kansas	87,525	87,433	81,504	62,470	-29%
Kentucky	227,879	208,710	193,722	168,400	-26%
Louisiana	263,338	252,860	258,180	225,500	-14%
Maine	67,836	65,006	60,973	53,100	-22%
Maryland	221,338	219,863	227,887	189,330	-14%
Massachusetts	332,044	311,732	286,175	218,530	-34%
Michigan	686,356	672,760	612,224	494,080	-28%
Minnesota	191,526	189,615	167,949	167,090	-13%
Mississippi	174,093	161,724	146,319	119,700	-31%
Missouri	259,039	262,073	259,595	219,650	-15%
Montana	34,848	35,415	34,313	27,270	-22%
Nebraska	48,055	46,034	42,038	38,020	-21%
Nevada	34,943	37,908	41,846	32,550	-7%
New Hampshire	28,972	30,386	28,671	22,340	-23%
New Jersey	349,902	334,780	321,151	269,600	-23%
New Mexico	94,836	101,676	105,114	98,430	+4%
New York	1,179,522	1,241,639	1,266,350	1,127,890	-4%
North Carolina	331,633	334,451	317,836	262,170	-21%
North Dakota	18,774	16,785	14,920	12,730	-32%
Ohio	720,476	691,099	629,719	541,060	-25%

- 2 -

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Sept.96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	94,050	-36%
Oregon	117,656	116,390	107,610	74,320	-37%
Pennsylvania	604,701	615,581	611,215	508,760	-16%
Rhode Island	61,116	62,737	62,407	55,750	-9%
South Carolina	151,026	143,883	133,567	110,120	-27%
South Dakota	20,254	19,413	17,652	15,320	-24%
Tennessee	320,709	302,608	281,982	235,820	-26%
Texas	785,271	796,348	765,460	636,940	-19%
Utah	53,172	50,657	47,472	38,530	-27%
Vermont	28,961	28,095	27,716	23,990	-17%
Virginia	194,212	194,959	189,493	148,350	-24%
Washington	286,258	292,608	290,940	266,590	-7%
West Virginia	119,916	115,376	107,668	84,560	-29%
Wisconsin	241,098	230,621	214,404	142,750	-41%
Wyoming	18,271	16,740	15,434	11,780	-36%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
December 1996

Talking Points on Welfare

- * One of the President's top priorities for the new year is the implementation of welfare reform.
- * The President is going to work very hard with Congress, with the States, and with the private sector to ensure that the jobs are there for people making the transformation from welfare to work.
- * In addition, when the President signed the welfare reform legislation, he made it clear that there were measures regarding legal immigrants, nutrition, and children that were extraneous to the core welfare reform measures and that he would try to fix.
- * As the President prepares his budget, he will be seeking the best possible means of implementing welfare reform and addressing the issues in the new law that concern him.
- * No decisions have been made on how to address these issues, including cost.

43 states / 78 experiments

child support up 40% § 11 B F 1995

1.6 million fewer people on

Welfare
Aug 22 '96
welfare

**PRESIDENT CLINTON SIGNS WELFARE REFORM LEGISLATION
"THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996"**

August 22, 1996

"I say to those who are on welfare, and especially to those who have been trapped on welfare for a long time: For too long our welfare system has undermined the values of family and work, instead of supporting them. The Congress and I are near agreement on sweeping welfare reform. We agree on time limits, tough work requirements, and the toughest possible child support enforcement. But I believe we must also provide child care so that mothers who are required to go to work can do so without worrying about what is happening to their children.

I challenge this Congress to send me a bipartisan welfare reform bill that will really move people from welfare to work and do the right thing by our children. I will sign it immediately."

-- President Clinton, State of the Union, January 23, 1996

President Clinton today will sign historic legislation that marks the end of welfare and the beginning of national welfare reform. This bill will change the nation's welfare system into one that requires work in exchange for time-limited assistance. The signing of this national legislation is the culmination of the President's effort to transform the broken welfare system into one that rewards work, protects children and promotes parental responsibility. Prior to Congress' passage of this welfare reform legislation, President Clinton had already begun to effect state-by-state welfare reform through the approval of 78 welfare experiments in 43 states. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will build on that foundation and help to create a better future for the women and children now trapped in poverty.

A comprehensive package of material on the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and on the Clinton Administration's record on welfare reform will be made available separately.

A brief legislative history of Congressional votes on this measure follows: The House passed H.R. 3734 on a 256-170 vote on July 18, 1996. The Senate passed, 74-24, its own version of H.R. 3734 on July 23, 1996. The House adopted the final version of the bill -- the conference report on July 31, 1996, by 328-101. The Senate cleared the conference report on August 1, 1996, 78-21.

Attending today's signing of welfare reform legislation will be the Vice President, members of Congress, Governors, former welfare recipients and administration officials, including Secretary of Health and Human Services Donna Shalala, Secretary of Agriculture Dan Glickman, Commerce Secretary Mickey Kantor, Transportation Secretary Federico Pena and Small Business Administrator Phil Lader.

The members of Congress and Governors expected to be in attendance are as follows: Sen. Joe Biden (D-DE), Sen. John Breaux (D-LA), Rep. Glen Browder (D-AL), Rep. Michael Castle (R-DE), Rep. Sander Levin (D-MI), Rep. Clay Shaw (R-FL), Rep. John Tanner (D-TN), former Senator Russell Long; Colorado Governor Roy Romer, Delaware Governor Thomas Carper, Nevada Governor Robert Miller, and West Virginia Governor Gaston Caperton.

The speaking program will begin with remarks by the Vice President, who will introduce Lillie Harden, a single mother and former welfare recipient who moved into work after two years on assistance with the help of an Arkansas welfare-to-work program. Lillie Harden will introduce the President for his remarks.

Biographical information on Ms. Harden follows:

Lillie Harden, 42, of Little Rock, Arkansas, was raised, along with three siblings, by her mother. A high school graduate, Ms. Harden held a variety of jobs before going on AFDC in the early 1980s. In 1984, after two years of receiving assistance for herself and her three children, she enrolled in Arkansas' "Work Program," where she attended job club activities, established employment goals, prepared a resume, and was put in touch with employers.

After her first interview, she was hired as a kitchen manager at the Best Western Hotel in Little Rock. Subsequently, she worked as a supervisor for "Meals on Wheels" and as a cook at the D&D cafe. She now works in the deli department at the Kroger's supermarket.

In 1986, Ms. Harden accompanied then Governor Clinton to a National Governors Association meeting to participate in a panel discussion on welfare reform. She testified before the NGA's Committee on Human Resources panel, which was looking at strategies to reduce welfare dependency and was co-chaired by Governor Clinton.

Ms. Harden told the panel that "the only thing that kept me from getting a job was that I didn't know how to present myself or fill out a job application." She learned those things in the Work Program. "The first interview I went on [after completing the training program], I got a job," she said. "Now I can do anything I feel like doing. Nothing holds me back. My children [are] proud of me." [Source: The Arkansas Democrat, August 26, 1986.]

Ms. Harden now has four children. Her oldest son, Carlton Harden, 24, works at Island Hospital in Washington State. Her son Billy Rogers, 21, is a pre-med student on a football scholarship at the University of Arkansas at Fayetteville. She will be accompanied at today's signing by her daughter Sharonda Rogers, 19, an engineering technology student at the University of Arkansas at Pine Bluff, and by her 10-year-old daughter Shanika Harden, a fourth grader at Boone Park Elementary School.

Also on stage with the President will be two other former welfare recipients:

-- Penelope Howard, a young woman from Delaware who was on welfare until she was hired by the Chicago Corporation, National Bank of Delaware.

-- and Janet Ferrel, of West Virginia, a single mother with two children. Ms. Ferrel is a victim of domestic violence who has since divorced her husband, has earned a college degree, and is off welfare.

HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 1996

Contact: HHS Press Office
(202) 690-6343

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

On August 22, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that will dramatically change the nation's welfare system into one that requires work in exchange for time-limited assistance. The bill contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage.

Highlights of "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" follow.

MAKING WELFARE A TRANSITION TO WORK

- o **Work requirements.** Under the new law, recipients must work after two years on assistance, with few exceptions. Twenty-five percent of all families in each state must be engaged in work activities or have left the rolls in fiscal year (FY) 1997, rising to 50 percent in FY 2002. Single parents must participate for at least 20 hours per week the first year, increasing to at least 30 hours per week by FY 2000. Two-parent families must work 35 hours per week by July 1, 1997.
- o **Supports for families transitioning into jobs.** The new welfare law provides \$14 billion in child care funding -- an increase of \$3.5 billion over current law -- to help more mothers move into jobs. The new law also guarantees that women on welfare continue to receive health coverage for their families, including at least one year of transitional Medicaid when they leave welfare for work.
- o **Work Activities.** To count toward state work requirements, recipients will be required to participate in unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or provide child care services to individuals who are participating in community service. Up to 6 weeks of job search (no more than 4 consecutive weeks) would count toward the work requirement. However, no more than 20 percent of each state's caseload may count toward the work requirement solely by participating in vocational training or by being a teen parent in secondary school. Single parents with a child under 6 who cannot find child care cannot be penalized for failure to meet the work requirements. States can exempt from the work requirement single parents with children under age one and disregard these individuals in the calculation of participation rates for up to 12 months.

- o **A five-year time limit.** Families who have received assistance for five cumulative years (or less at state option) will be ineligible for cash aid under the new welfare law. States will be permitted to exempt up to 20 percent of their caseload from the time limit, and states will have the option to provide non-cash assistance and vouchers to families that reach the time limit using Social Services Block Grant or state funds.
- o **Personal employability plans.** Under the new plan, states are required to make an initial assessment of recipients' skills. States can also develop personal responsibility plans for recipients identifying the education, training, and job placement services needed to move into the workforce.
- o **State maintenance of effort requirements.** The new welfare law requires states to maintain their own spending on welfare at at least 80 percent of FY 1994 levels. States must also maintain spending at 100 percent of FY 1994 levels to access a \$2 billion contingency fund designed to assist states affected by high population growth or economic downturn. In addition, states must maintain 100 percent of FY 1994 or FY 1995 spending on child care (whichever is greater) to access additional child care funds beyond their initial allotment.
- o **Job subsidies.** The law also allows states to create jobs by taking money now used for welfare checks and using it to create community service jobs or to provide income subsidies or hiring incentives for potential employers.
- o **Performance bonus to reward work.** \$1 billion will be available through FY 2003 for performance bonuses to reward states for moving welfare recipients into jobs. The Secretary of HHS, in consultation with the National Governors' Association (NGA) and American Public Welfare Association (APWA), will develop criteria for measuring state performance.
- o **State flexibility.** Under the new law, states which receive approval for welfare reform waivers before July 1, 1997 have the option to operate their cash assistance program under some or all of these waivers. For states electing this option, some provisions of the new law which are inconsistent with the waivers would not take effect until the expiration of the applicable waivers in the geographical areas covered by the waivers.

PROMOTING RESPONSIBILITY

Comprehensive child support enforcement. The new law includes the child support enforcement measures President Clinton proposed in 1994 -- the most sweeping crackdown on non-paying parents in history. These measures could increase child support collections by \$24 billion and reduce federal welfare costs by \$4 billion over 10 years. Under the new law, each state must operate a child support enforcement program meeting federal requirements in order to be eligible for Temporary Assistance to Needy Families (TANF) block grants. Provisions include:

- o **National new hire reporting system.** The law establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also requires that employers report all new hires to state agencies for transmittal of new hire information to the National Directory of New Hires. This builds on President Clinton's June 1996 executive action to track delinquent parents across state lines. The law also expands and streamlines procedures for direct withholding of child support from wages.

- o **Streamlined paternity establishment.** The new law streamlines the legal process for paternity establishment, making it easier and faster to establish paternity. It also expands the voluntary in-hospital paternity establishment program, started by the Clinton Administration in 1993, and requires a state form for voluntary paternity acknowledgement. In addition, the law mandates that states publicize the availability and encourage the use of voluntary paternity establishment processes. Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent.
- o **Uniform interstate child support laws.** The new law provides for uniform rules, procedures, and forms for interstate cases.
- o **Computerized state-wide collections.** The new law requires states to establish central registries of child support orders and centralized collection and disbursement units. It also requires expedited state procedures for child support enforcement.
- o **Tough new penalties.** Under the new law, states can implement tough child support enforcement techniques. The new law will expand wage garnishment, allow states to seize assets, allows states to require community service in some cases, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support.
- o **"Families First."** Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about \$1 billion in support over the first six years.
- o **Access and visitation programs.** In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and facilitate noncustodial parents' visitation with and access to their children.

Teen Parent Provisions

- o **Live at home and stay in school requirements.** Under the new law, unmarried minor parents will be required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. States will be responsible for locating or assisting in locating adult-supervised settings for teens.
- o **Teen Pregnancy Prevention.** Starting in FY 1998, \$50 million a year in mandatory funds would be added to the appropriations of the Maternal and Child Health (MCH) Block Grant for abstinence education. In addition, the Secretary of HHS will establish and implement a strategy to (1) prevent non-marital teen births, and (2) assure that at least 25 percent of communities have teen pregnancy prevention programs. No later than January 1, 1997, the Attorney General will establish a program that studies the linkage between statutory rape and teen pregnancy, and that educates law enforcement officials on the prevention and prosecution of statutory rape.

IMPROVEMENTS OVER THE VETOED BILL

President Clinton vetoed the previous welfare reform bill (H.R. 4) submitted by Congress because it did too little to move people into jobs and failed to provide the supports -- like child care and health care -- that families need to move from welfare to work. "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" includes several improvements over the vetoed bill, including:

- o **Guaranteed medical coverage.** The new law preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare. H.R. 4 would have ended the guarantee of Medicaid coverage for cash assistance recipients.
- o **Increased child care funding and mandatory child care maintenance of effort.** The new law provides \$14 billion in child care funding -- an increase of \$3.5 billion over 6 years -- allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately \$1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). By contrast, H.R. 4 increased child care funding by just \$300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.
- o **Incentives for states to move people into jobs.** The new law includes a \$1 billion performance bonus to reward states that meet performance targets. H.R. 4 did not contain a cash performance bonus.
- o **Preservation of nutrition programs.** H.R. 4 would have given states the option of block granting food stamp benefits. The bill would have also capped federal food stamp program expenditures, limiting maximum benefit increases to 2 percent per year, regardless of growth in need for assistance. The new law maintains the national nutritional safety net by eliminating the block grant option as well as the food stamp cap.
- o **Current law child protection and adoption.** Unlike H.R. 4, the new plan maintains current law on child protection and adoption, and does not reduce funds for child welfare, child abuse, foster care and adoption services.
- o **Improved contingency fund.** The new law includes a \$2 billion contingency fund to protect states in times of population growth or economic downturn. H.R. 4 included a \$1 billion contingency fund.
- o **Current law child care health and safety standards.** The new law protects children by maintaining health and safety standards for day care. H.R. 4 would have eliminated health and safety protections.
- o **Protection of disabled children.** H.R. 4 would have cut SSI by 25 percent for many disabled children. The new law eliminates this proposed two-tier system.
- o **Optional family cap.** Under the new law, states have the option to implement a family cap. H.R. 4 required states to deny cash benefits to children born to welfare recipients unless the state legislature explicitly voted to provide benefits.

NECESSARY IMPROVEMENTS

President Clinton has stated that the new law requires several improvements. Specifically, he has pledged to fix two provisions of the welfare bill which he believes have nothing to do with welfare reform.

- o **Food Stamps.** According to President Clinton, the new law cuts deeper than it should in Food Stamps, mostly for working families who have high shelter costs.
- o **Legal Immigrants.** The law includes provisions that would deny most forms of public assistance to most legal immigrants for five years or until they attain citizenship. The President has said that legal immigrants who fall on hard times through no fault of their own and need help should get it, although their sponsors should take additional responsibility for them.

BUILDING ON THE PRESIDENT'S WORK TO END WELFARE AS WE KNOW IT

Even before Congress passed welfare reform legislation acceptable to President Clinton, states were acting to try new approaches. With encouragement, support, and cooperation from the Clinton Administration, **43** states have moved forward with **78** welfare reform experiments. The Clinton Administration has also required teen mothers to stay in school, required federal employees to pay their child support, and cracked down on people who owe child support and cross state lines. As a result of these efforts and President Clinton's efforts to strengthen the economy, child support collections have increased by 40 percent to \$11 billion in FY 1995, and there are 1.6 million fewer people on welfare today than when President Clinton took office. "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" will build on these efforts by allowing states flexibility to reform their welfare systems and to build on demonstrations initiated under the Clinton Administration.

Questions and Answers on Welfare Reform
August 20, 1996

Q: Isn't it true that the President only decided to sign the bill because of political concerns?

A: Not at all. This is a President who has always stood on principle. Our opponents have criticized his children's tobacco initiative, but he has not backed down. They have criticized his success at getting handguns off the street, but he has not wavered. Reforming the welfare system is something that he's always been committed to, and he believes it is important to begin changing the failed system as quickly as possible.

Overall, there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in \$24 billion for America's children and free up billions more in welfare payments that can now be used for job training. This legislation makes other significant improvements over the bills the President vetoed -- it drops the deep cuts and devastating changes in foster care, adoption assistance, child abuse prevention programs, the school lunch program, and aid to disabled children.

Q: Isn't it true that all of his policy advisors recommended a veto?

A: No. Some Administration officials have expressed concerns about the final bill, but that's not new. The official letters sent to Congress have always expressed concerns.

But the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in \$24 billion for America's children and will free up billions more in current welfare payments that can now be used for work activities.

Every Administration official also knows that this bill is much improved from the legislation the President vetoed last year. It's still not perfect, but it's imperative that we move away from the failed status quo.

Q: But won't this bill result in more poverty? How can you say that you care about children, and still sign this bill?

A: Very few bills are perfect, and this bill does have some flaws. However, it's important to remember how many victories the President has won since he vetoed the previous bill. This legislation does not dismantle foster care, adoption assistance, child abuse prevention programs, or the school lunch program. It does not deny cash assistance to disabled children. And it includes more funding for child care.

Overall, the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and free up billions more in welfare payments that can now be used for job training.

It's also important to remember that this Administration expanded the Earned Income Tax Credit, and convinced Congress to vote on an increase in the minimum wage. Together with the work incentives in this bill, those actions will make many low-wage families better off, and will make work a better deal than welfare. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Studies, such as the Urban Institute study, have indicated that this reform package will force millions of kids into poverty. Is this true? What are you going to do ensure that it does not force children into poverty?

A: Let's not forget that millions of children and their parents are trapped in poverty now. No computer model can predict with 100 percent accuracy how individuals will respond when the system is fundamentally transformed. Under the new welfare law, people will be required to move into jobs, but they will also receive the supports they need -- like child care and health care -- to move from welfare to work. The legislation also contains tough child support enforcement measures that will increase collections by \$24 billion over ten years -- providing an enormous amount of money for children's food, clothing, and shelter.

We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes changes in the minimum wage and the EITC, she will increase her income by more than 50 percent - to \$12,600 - even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: How will the federal government monitor the states under the new program? How can the federal government ensure that recipients are protected from unfair treatment or discrimination resulting in loss of benefits?

A: Although states will receive considerable flexibility under the Personal Responsibility and Work Act of 1996, the law provides some level of federal oversight and protection for recipients from unfair treatment. The law requires states to submit plans outlining how they will implement the new provisions. These state plans must include objective criteria for delivering benefits and ensuring equitable treatment for recipients. States must also provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process.

In addition, the new law penalizes states that fail to meet bill requirements or misuse federal money by removing a portion of their block grant funding. States that are penalized must expend additional state funds to replace federal grant reductions.

Q: How do you justify removing the federal guarantee from women and children, particularly when the President is so far ahead in the polls? What will be the safety net for women and children who fall on hard times?

A: President Clinton signed "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" into law because the current system is broken, and because Congress made many of the changes he sought under welfare reform. His judgement was based on policy, not politics.

The new law will provide protections for women and children who fall on hard times, including time-limited cash assistance, child care, Medicaid, Food Stamps, and nutrition assistance, while helping recipients move toward work and self-sufficiency. It also contains the toughest possible child support enforcement -- which will provide new resources for children's food, clothing, and shelter. And, unlike the vetoed bill, it maintains the open-ended federal commitment to Food Stamps, foster care, and adoption services.

Q: What makes you think this dramatic shift will make a difference?

A: As the President said, this law gives us a chance to reform our broken welfare system. The law is strong on work. It provides almost \$4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. The law also includes the child support enforcement measures the President proposed two years ago -- the most sweeping crackdown on deadbeat parents in history. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

This Administration has already given 43 states the flexibility to reward work, and created millions of new jobs. Welfare rolls have already dropped by 1.3 million since 1992, and we think that progress will continue. Finally, because of the changes we've proposed in the minimum wage and the EITC, the typical welfare recipient will be better off working -- even 20 hours per week -- than she was on welfare. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: The President has acknowledged the diversity of welfare recipients. Are there provisions in the bill to take into consideration the special circumstances women often face?

A: Yes. The new law enables states to allow women with children under age six to work only 20 hours per week, and exempts single parents with children under age six from the work requirements and penalties if they are unable to find child care. States can also exempt women with children under age one for a total of 12 months. In addition, the bill allows states to exempt 20 percent of welfare recipients from the time limit.

Q: How will the Administration ensure that women are aware of the exemptions they may be allowed, such as in cases of battering or abuse? What must women do to prove that they fall into these categories?

A: The law provides several avenues through which women can be made aware of any exemptions for which they may qualify. For example, states will provide this information in their state plan, which will be a public document. States will have the option to establish procedures for the screening of domestic violence situations, as well as for referral to appropriate counseling. States may also waive other program requirements (such as time limits) in such cases. For all states, we anticipate that the state plan will specify the exemptions which the state has elected. The Administration plans to issue some guidance to states on this subject.

The statute requires that states set forth objective criteria for the delivery of benefits, determination of eligibility, and for fair and equitable treatment. As part of these criteria, it must explain the administrative or appeals process which will be available to individuals adversely affected by state agency decisions. The Administration believes this provision is critical to ensuring that individuals within each state receive the benefits and protections available under the state program.

Q: Isn't it unfair that people with disabilities will be affected so adversely by this legislation? Won't the long-term impact be greater for individuals who are forced into institutions as result of being cut off from SSI?

A: Under the new law, most legal immigrants will be ineligible for SSI until citizenship. The Administration opposes this provision, and the President has pledged to fix this flaw in the bill. The Administration has proposed an alternative approach which would require sponsors to take additional responsibility for their immigrant family members, but maintain assistance for needy legal immigrants without sponsors or whose sponsors become unable to assist them.

(The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SSI are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms).

Q: How will the children of mothers who are cut off from Food Stamps get fed?

A: Children of mothers cut-off from Food Stamps for failing to meet work requirements will continue to receive Food Stamp benefits. In those rare cases, the USDA will redetermine the families' eligibility excluding the mothers' needs in calculating total benefits. If a mother were to hit the time limit, she and her family would continue to receive Food Stamp benefits, and the Food Stamp benefits would slightly increase to offset some of the loss in cash assistance. And everyone in the family would continue to receive Medicaid.

Q: How is the additional \$4 billion for child care distributed? Who gets the money?

A: The new law increases child care funding by nearly \$4 billion over 6 years, allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately \$1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). Additional funding will be available for state match at the 1995 Medicaid rate. By contrast, the bill the President vetoed increased child care funding by just \$300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.

Q: How do the expanded child support enforcement measures work?

A: The new law includes the child support enforcement measures President Clinton proposed in 1994 -- the most sweeping crackdown on non-paying parents in history. These measures could increase child support collections by \$24 billion and reduce federal welfare costs by \$4 billion over 10 years. Provisions include:

National new hire reporting system. The law establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also requires that employers report all new hires to state agencies, which will then report to the National Directory of New Hires. The law also expands and streamlines procedures for withholding child support from wages.

Streamlined paternity establishment. The new law streamlines the legal process for paternity establishment, making it easier and faster to establish paternities. It also expands the voluntary in-hospital paternity establishment program, started by the Clinton Administration in 1993, Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent.

Uniform interstate child support laws. The new law provides for uniform rules, procedures, and forms for interstate cases.

Computerized state-wide collections. The new law requires states to establish central registries of child support orders and centralized collection and disbursement units. It also requires expedited state procedures for child support enforcement.

Tough new penalties. Under the new law, states can implement tough child support enforcement techniques. The new law will expand wage garnishment, allow states to seize assets, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support.

"Families First." Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about \$1 billion in support over the first 6 years.

Access and visitation programs. In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and

facilitate noncustodial parents' visitation with and access to their children.

Q: What are individual development accounts? Are they optional or included in every state?

A: The new law explicitly allows states to use block grant money for programs to fund individual development accounts for recipients. These accounts would not be counted as income in determining benefits, and could be used by individuals to finance a small or micro-business, to pursue post-secondary education, or to purchase their first home. Twelve states have already done something similar under waivers we've granted.

Q: Why are you still granting waivers to states? Is this a way to undermine the work requirement provisions of the new law?

A: Although most states will no longer need waivers to implement welfare reform under the new law, HHS is continuing to grant waivers to states that have requested them. Some states with pending waiver requests asked HHS to either approve the entire waiver request or to extract provisions that would apply under the fast track waiver approval process. A few states without waivers already approved or pending have also submitted applications under the fast track approval process. The Clinton Administration has already approved 78 demonstrations for 43 states, and we're continuing our commitment to state flexibility.

This is not going to undermine the work requirements in the new law. The Congressional welfare reform legislation includes a provision that would give states the option to continue their welfare reform demonstrations. Also under this provision, states would not have to follow the new legislative mandates if those features were inconsistent with the state's demonstration, which include defined work activities, time limits, etc. HHS, along with the states, is seeking to clarify the language of the bill with respect to this provision. However, it is the department's understanding that all states would have to meet the work participation rates in the legislation.

Q: How does the exemption from the time limit work? Is it 20 percent over a year or at any one time?

A: The law states that the number of exempt families for a fiscal year may not exceed 20 percent of the average monthly caseload. HHS will issue further guidance on calculation of this limit in the future. However, it is important to note that the welfare bill vetoed by the President contained only a 15 percent exemption, and the Administration worked very hard to ensure that the welfare legislation included adequate exemptions from the time limit. We believe that the 20 percent exemption in the new law is adequate.

Q: Do you have any estimates on how many states will make use of the domestic violence exemption? Does this exemption apply to the work requirements as well as to the time limit?

A: We do not have estimates on how many states will make use of the time-limit exemption, which is optional. We will have that information when the states submit their plans.

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Q: Do you have any estimates on how many states will make use of the domestic violence exemption? Does this exemption apply to the work requirements as well as to the time limit?

A: We do not have estimates on how many states will make use of the time-limit exemption, which is optional. We will have that information when the states submit their plans.

The law does not include a specific exemption from the work requirements. However, the bill does allow states to waive program requirements for victims of domestic violence, and allows states to exempt 20 percent of welfare recipients from the time limit. States may also take this factor into consideration in developing individual responsibility plans and in making decisions about how to reach the participation rates specified in the bill.

Q: Now that Medicaid will be separate from AFDC, how will the Medicaid eligibility be determined? What will happen to the families who are no longer eligible for AFDC under the new system?

A: President Clinton insisted that welfare reform not end guaranteed health care coverage for pregnant women, poor children, the disabled, and the elderly -- and the new law preserves the Medicaid guarantee. In general, individuals who would have been eligible for Medicaid before welfare reform will still be eligible for Medicaid under the new law. In addition, families that lose cash assistance eligibility due to the time limit will remain eligible for Medicaid. The new law also provides one year of transitional Medicaid for families that leave welfare because of increased earnings, and maintains the current law provision of four months of transitional Medicaid for families who leave welfare due to increased child support.

States do have the option to end Medicaid coverage for some adults -- except pregnant women -- who lose their cash assistance eligibility because they failed to meet work requirements. (This is similar to current law, which denies Medicaid to adult recipients who refuse to cooperate with paternity establishment). However, children will retain Medicaid eligibility even if their mother is deemed ineligible.

Q: In the past, SSI has been the gateway for certain individuals to receive Medicaid and Food Stamps. Will those deemed ineligible for SSI under the new legislation still be eligible for Medicaid or Food Stamps?

A: For current legal immigrants, states have the option to eliminate Medicaid assistance along with SSI, but we don't expect states to do so. Immigrants who arrive in the future will be barred from Medicaid for five years. The President opposes these provisions, and will work to change them. As the President said, "This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right ... I am convinced when we send legislation to Congress to correct it, it will be corrected." In any case, immigrants will still be eligible for emergency medical assistance and other limited kinds of care, such as immunizations.

The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SSI are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms.

Q: How will this legislation impact legal immigrants and when?

A: Under the new law, most legal immigrants will be ineligible for SSI and Food Stamps until citizenship. Current recipients may lose eligibility for these programs immediately at the time of regular redetermination for eligibility. States have the option to make most current legal immigrants ineligible for Medicaid, AFDC, Title XX Social Services, and state-funded assistance until citizenship. Future immigrants will be ineligible for five years for most federal means-tested programs, including Medicaid, but these immigrants will be eligible for Head Start and the Job Training Partnership Act.

All applicants for most federal, state, and local programs will be subject to new verification requirements to determine if they are "qualified" or "non-qualified." Qualified immigrants will include legal permanent residents, refugees, asylees, immigrants whose deportation has been withheld, and immigrants who have been granted parole status by the INS for a period of one year. Non-qualified immigrants would be ineligible for benefits (except emergency medical, school lunches/breakfasts if they are eligible for a free public education, short-term disaster, limited public health assistance, non-profit, in-kind community services such as shelters and soup kitchens, and certain housing benefits).

Future sponsors and immigrants would be required to sign new, legally binding affidavits of support. For these future immigrants, the new law extends deeming to citizenship, changes deeming to count 100 percent of a sponsor's income and resources, and expands the number of programs that are required to deem, including Medicaid.

The President opposes these provisions, and will work to change them. As the President said, "This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right ... I am convinced when we send legislation to Congress to correct it, it will be corrected." In any case, immigrants will still be eligible for emergency medical assistance and other limited kinds of care, such as immunizations.

Q: When will you propose legislation to reverse the discrimination against legal immigrants? What will that legislation look like? Where will the funding come from to provide assistance for these individuals?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. On immigrants, the Administration has proposed an approach which would require sponsors to take additional responsibility for their immigrant family members, but maintain assistance for needy legal immigrants without sponsors or whose sponsors become unable to assist them. This proposal would still have savings over current law.

Q: One hundred and twenty-three Democratic members of Congress supported this package. Did they understand the impact of the provisions affecting legal immigrants, and did they support these provisions, or did they support the bill in spite of those provisions?

A: Democrats and Republicans voted for this legislation because they know that the current welfare system is broken and must be fixed. Like the President, many members of Congress are concerned about the provisions affecting legal immigrants, and they are supportive of the Administration's plan to fix this flaw in the law. Let's remember that this bill is much better than what the President vetoed. That legislation was soft on work and tough on children. It failed to provide adequate child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. This new legislation is much improved. Congress has removed many of the worst elements the President objected to, and has included many of the improvements the President called for.

Q: What specifically is the Administration planning to do to address the flaws in the legislation? And when? What about the AFDC portion of the legislation?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. In terms of the AFDC provisions, states will be able to use their block grant funds, which initially provide most states with more resources than they currently receive, to move people into jobs and help employers create new positions for welfare recipients. Additional child care funding, new resources from child support enforcement, and the guarantee of nutrition assistance, foster care and adoption services, and health care coverage will work together to help families move from dependence to self-sufficiency. We will closely monitor the states to be sure that they are rewarding work and meeting the goals of the legislation. This new law gives states powerful performance incentives to place people in jobs. We also know that 43 states are already promoting work and protecting children under welfare waivers granted by the Clinton Administration.

Remember, the minimum wage and EITC changes we've fought for will make work pay. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: When does the new welfare system take effect?

A: The new law goes into effect on July 1, 1997. States are required to submit plans by that date detailing how they will meet the law's provisions, and these plans will be reviewed for completeness by HHS. Upon completion of their plans, states will be able to draw down block grant funds.

- Q: How will states address such needs as transportation and job training? Where will the resources come from?
- A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.
- Q: What is the President's position on Senator Wellstone's resolution calling for a continued safety net for battered women? This did not pass as part of the welfare reform bill -- will the President work to have it reintroduced as legislation when Congress comes back into session?
- A: The Administration has not yet decided what would be included in a legislative package to improve the welfare legislation Congress passed.
- Q: How will you protect teen mothers who are required to live at home but are at risk of being sexually, physically, or emotionally abused in those settings?
- A: The law requires teen parents to live at home or in an adult-supervised setting in order to receive assistance. States will be required to locate alternative living arrangements for those teens who may be at risk of abuse in their homes.
- Q: There is a two-year limit for women to find jobs -- where will these jobs come from?
- A: This bill gives states the ability to create jobs by taking money now used for welfare checks and give it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. It also builds on the reforms taking place in 43 states under waivers granted by the Clinton Administration. Some of these states are securing private sector jobs for welfare recipients by providing wage subsidies and forging new private/public sector partnerships. In other states, employers are providing work place mentoring for participants and contributing to special accounts that recipients can later use to increase their education and training. The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements.
- Q: Some Democrats have said that this legislation is just the beginning of needed reforms to the welfare system. Do you agree? What do you plan to do to build on this, and when?
- A: This welfare legislation is a critical step in transforming our broken welfare system into one that requires work and promotes parental responsibility. The new law will make sweeping changes to the welfare system -- through time limits, work requirements, child care resources, and the toughest ever child support enforcement. When combined with an increased minimum wage and the EITC,

we expect that it will make a fundamental difference in moving people from welfare to work. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and she may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

The President is also planning to take other steps to increase the availability of jobs for welfare recipients, which he will announce soon.

Q: Did you speak with the people who will be affected most by these changes?

A: The President and other members of the Administration have met with welfare recipients to discuss their experiences and ways to best change the system. The President also met with welfare recipients at the Blair House meeting on welfare reform last year. As the President said in his 1995 State of the Union Address, "I may be the only President who has had the opportunity to sit in a welfare office, who's actually spent hours and hours taking to people on welfare. And I am telling you, the people who are trapped on it know it doesn't work."

Q: For those who have not completed high school, lack sufficient language skills and are functionally illiterate, what kind of work can they expect to get?

A: The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements. We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes changes in the minimum wage and the EITC, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Will children of legal immigrants be denied school lunches under the new law?

A: All children, including those of legal immigrants, who are eligible for public school will continue to receive free school breakfasts and lunches under the new law.

- Q: How does this reform affect public housing?
- A: This new law does not affect public housing -- the Clinton Administration is maintaining our investment in housing for poor families. Poor families will also continue to receive Medicaid and Food Stamp benefits under the law.
- Q: Who will create and fund the needed job training programs?
- A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.
- Q: The social services agencies that deal with child abuse and neglect, teen pregnancy, and juvenile crime, are already overwhelmed. Will this legislation result in an increased need for these services without providing funding?
- A: This legislation preserves the foster care, adoption, child welfare, and family preservation programs - the federal government and the states will continue to work to meet the needs of children and families at risk. In addition, the legislation contains new funds for teen pregnancy prevention and abstinence programs, and it requires at least 25 percent of communities to have teen pregnancy prevention programs in place.
- Q: If corporate America has been laying off employees and downsizing, and the job market is filled with skilled laborers, how will unskilled workers fit in?
- A: Since taking office, the Clinton Administration has created 10 million new jobs and provided new employment opportunities for workers of various skill levels. And, as welfare rolls continue to shrink, states will be able to use money now used for welfare checks to provide work-related services, community service jobs, or income subsidies for employers to hire welfare recipients.

A NEW SYSTEM UNDER WELFARE REFORM

The Current Welfare System

Aid to Families with Dependent Children (AFDC) is a cash assistance program, providing aid to poor single mothers and their children, as well as to a few poor two-parent families. As of May 1996, 12.5 million individuals received AFDC -- down from 14.1 million when President Clinton took office. Of those 12.5 million people, approximately 4 million are adults.

Medicaid pays for health care for AFDC recipients and all pregnant women and children up to age 6 with family income up to 133 percent of the federal poverty line. Medicaid coverage is also being phased in for poor children under age 19 by the year 2002. The Food Stamp program provides nutrition assistance to all poor Americans, including AFDC recipients, the elderly, and many poor working families.

The elderly, blind, and disabled also receive public assistance, primarily through the Supplemental Security Income (SSI) program, which provides monthly cash benefits, as well as through the Medicaid and Food Stamp programs.

Changes under Welfare Reform

Under the new law, federal AFDC funds will be delivered to states in the form of fixed block grants, and adults will be limited to 5 years of cash assistance (states will be able to exempt 20 percent of the caseload from the time limit). In addition, recipients will be required to work within two years of receiving assistance, through activities such as unsubsidized or subsidized employment, on-the-job training, or community service. These changes build on the reforms already taking place in 43 states under waivers granted by the Clinton Administration. (For example, 30 states and the District of Columbia currently have some form of time limit in place). The new welfare law preserves Medicaid coverage for poor children, the disabled, pregnant women, the elderly, and people who would have qualified under the previous AFDC rules. It also maintains the Food Stamp program, preserving the national nutritional safety net. It includes new funding for child care and several measures to increase child support collections.

The law also includes provisions opposed by the Administration that would deny SSI and Food Stamps to most legal immigrants for five years or until they attain citizenship. States would have the option to deny Medicaid and AFDC benefits to legal immigrants. Future immigrants would be ineligible for 5 years for most federal means-tested programs, including Medicaid. The President has pledged to fix the provisions in the bill that would deny assistance to legal immigrants and cut back on Food Stamp assistance for working families.

A Fundamental Improvement over the Status Quo

This comprehensive bipartisan welfare reform legislation will change the nation's welfare system into a transitional assistance program that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed Medicaid coverage. It also includes tough new child support provisions which will increase collections by \$24 billion over 10 years. As the President has said, this legislation gives us a chance "to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check."

Combined with the EITC and the minimum wage increase won by this Administration, the new, transitional welfare system will help move AFDC recipients from welfare to work. In Colorado, for example, a mother with two children will increase her income by more than 50 percent -- from \$8,000 to \$12,600 -- even if she works part-time at the minimum wage. Plus, she'll receive health care, Food Stamps, help in collecting child support, and child care assistance if she needs it.

- o **A broken system.** When President Clinton ran for president four years ago, he pledged to end welfare as we know it. Since taking office, President Clinton has done everything in his power to transform the welfare system into one that rewards work, protects children, and promotes parental responsibility. Although we've given 78 waivers to 43 states, the President has emphasized from the start that we need national legislation to help build a better future for the women and children now trapped in poverty.
- o **A much improved bill.** We've come a long way in this debate. Last year the Republican majority in Congress sent President Clinton legislation that had its priorities backward: it was soft on work, and tough on children. It failed to provide adequate child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. This new bipartisan legislation is significantly better than the bills the President vetoed.
- o **Rewarding work.** The new law is strong on work. It provides almost \$4 billion more for child care, and it gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as incentives to hire people, or to create community service jobs. When combined with the EITC and the minimum wage increase won by this Administration, it means that the typical welfare recipient will be better off working than on welfare. In Colorado, for example, a mother with two children will increase her income by more than 50 percent -- from \$8,000 to \$12,600 -- even if she only works part-time at the minimum wage. Plus, she'll receive health care, Food Stamps, help in collecting child support, and child care assistance if she needs it.
- o **Protecting Children.** This new law is better for children than the two bills President Clinton vetoed. It maintains the national nutritional safety net by eliminating the Food Stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers to children whose parents can't find work after the time limits expire. It helps protect children by maintaining health and safety standards for day care. It allows the 43 states with existing welfare reform demonstrations to use their own work requirements and time limits. And it preserves the national Medicaid guarantee for poor children, the disabled, pregnant women, and the elderly.
- o **Demanding responsibility.** The law requires teen parents to stay in school and live at home, and it includes the tough child support enforcement measures President Clinton proposed -- the most sweeping crackdown on deadbeat parents in history. We can now say to parents, if you don't pay the child support you owe we will garnish your wages, take away your driver's license, track you across state lines and if necessary make you work off what you owe. Over 10 years, the child support improvements in this bill will provide an additional \$24 billion for America's children.
- o **Parts of the law still need to be fixed.** Parts of the legislation are wrong, and the President has pledged to fix them. The law still cuts Food Stamps deeper than it should, mostly for working families with children who have high shelter costs. In addition, the law includes provisions that will hurt legal immigrants, denying medical and other help to families with children who fall on hard times through no fault of their own. This Administration is committed to changing these provisions.
- o **A record of accomplishment.** Over the past three and half years, the Clinton Administration has given 43 states the flexibility they need to promote work and protect children. The Administration has also required teen mothers to stay in school and cracked down on people who owe child support and cross state lines. As a result, child support collections are up 40 percent to \$11 billion, and there are 1.6 million fewer people on welfare today than when President Clinton took office.

Question and Answer on D.C. Waiver

Q: Clay Shaw claims that the Administration is allowing D.C. and several states to avoid implementing the tougher provisions of the new welfare legislation by granting them waivers. How do you respond?

A: Congress included a provision in the legislation that would give states the option to continue their welfare reform demonstrations under the new law. Although we believe that most states will no longer need waivers to implement welfare reform under the new law, the Administration has granted waivers to D.C. and the two other new states (Idaho and Kansas) that requested them, just as we had for 41 states previously. Representative Shaw voted for this legislation, which clearly included this protection for the 41 states that had already received waivers, as well as for those that received waivers prior to the law's enactment.

Under this provision, as written by Congress, states would not have to follow the new legislative mandates if those features were inconsistent with the state's demonstration, which include defined work activities, time limits, etc. HHS, along with the states, is seeking to clarify the language of the bill with respect to this provision. However, it is the Administration's understanding that all states would have to meet the work participation rates in the legislation. In other words, this is not going to undermine the work requirements in the new law.

8/22/96
Welfare

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR LEON PANETTA

FROM: ELENA KAGAN *EK*
CC: GEORGE STEPHANOPOULOS
SUBJECT: WELFARE-RELATED DIRECTIVES

I am attaching, at Jack's request, two directives related to today's signing of the welfare bill. The first, as we discussed at yesterday's meeting, directs the Secretary of Agriculture to grant an automatic waiver allowing states to extend the certification periods of legal aliens. The second, which is much less substantive, directs the Attorney General to continue taking steps to improve the INS's ability to process naturalization applications. The first directive has been approved by all affected parties; the second still has some hoops to run through, but I don't expect any real problems. The written signing statement refers to both these actions in very general terms.

We need to make a decision about when (and, I suppose, whether) to release these directives. Jack's instinct is to do so this afternoon, sometime after the ceremony.

In addition to the above, two other executive actions -- one specifically authorized by the welfare bill -- may mitigate the impact of the bill on immigrants. You or others may wish to refer to these actions in the next few days.

The first is a proposed rule that the INS hopes to publish in the next week exempting people with certain disabilities from standard testing requirements for naturalization. Such a rule will allow certain people with disabilities to become citizens and thus escape the bill's limitations on providing benefits to aliens.

Second, the Attorney General, by the terms of the bill, may designate any non-means tested programs necessary to protect life and safety, from which aliens cannot be barred. Examples of programs that the AG will exempt include those providing crisis counseling and short-term shelter. The AG currently intends to sign this memo this afternoon.

August 22, 1996

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

SUBJECT: Eligibility of Aliens for Food Stamps

Under the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which I recently signed into law, aliens receiving food stamps as of the date of enactment will continue to receive benefits until recertification of their eligibility, which shall take place not more than one year after enactment of the law. The results of the ^{lan} certification, including decisions as to ~~the~~ individual's immigration classification, veteran status, or work history, will determine whether the individual remains eligible for benefits under the Food Stamp Program. Implementation of these new procedures will pose a substantial challenge for all involved federal and state agencies. To ensure that eligibility determinations are made fairly, accurately, and effectively, I direct you to take the steps necessary under your authority to permit the state agencies to extend the certification periods of currently participating aliens, provided that no certification period is extended to longer than 12 months, or up to 24 months if all adult household members are elderly or disabled, and provided that in no event shall certifications be extended beyond August 22, 1997.

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immigrants period for recertifying immigrants

WILLIAM J. CLINTON
THE WHITE HOUSE

MEMORANDUM FOR THE ATTORNEY GENERAL
SECRETARY OF HEALTH AND HUMAN SERVICES
AND OTHER EXECUTIVE DEPARTMENT HEADS

SUBJECT: Naturalization

Citizenship is the cornerstone of full participation in our democracy. To become a United States citizen through naturalization represents a pledge to undertake the responsibilities of being a full member of our national community.

Naturalization is the best example of our legal immigration system working. It reflects our society's recognition of those who came to this country to work hard, play by the rules, and pursue shared ideals of freedom, opportunity and responsibility.

In the past, hundreds of thousands of eligible individuals have had to wait unnecessarily to become citizens. In some parts of the country, these individuals have had to wait well over a year after filing their application to realize their dream of United States citizenship.

This Administration is committed to eliminating the waiting lists of those eligible for citizenship. To accomplish this, we launched Citizenship U.S.A., the most ambitious citizenship effort in history. In FY 1996, the INS will spend more than \$165 million for naturalization.

Citizenship U.S.A. combines three broad strategies: hiring more people to handle applications, improving the naturalization process, and expanding partnerships with local officials and community organizations.

We are already making progress. We have increased the staff 235% in the five districts with 75% of the pending applications: Los Angeles, New York, Miami, San Francisco, and Chicago. In Los Angeles, where one-fourth of all new applications are filed, we have opened three new processing centers and have more than quadrupled the number of INS officers handling citizenship applications.

But this is just the beginning. This Administration's target is to process and swear-in within six months of application all individuals eligible for citizenship. As we meet this target, more than one million newcomers will become citizens by the end of this year. After that, INS shall maintain those reforms necessary to stay current with the demand of new citizen applicants.

Using all of the tools at your disposal, I ask you to ensure that policies and practices necessary to accomplish these targets of one million new citizens sworn-in and the elimination of the waiting list are implemented. This includes continuing, expanding or accelerating, as appropriate and practicable, the following:

1) New Hires. Hiring, training and deployment of full staffing to assist naturalization efforts should proceed to completion as quickly as possible.

2) Cutting Red Tape. This includes: establishing electronic filing and mailing-in of citizenship applications, extended weekday hours and Saturday interviews, further expansion of processing facilities, and improvements to make it easier for people to obtain forms and get immigration information by telephone or computer.

3) Working with Local Officials and Community-Based Groups. We are working in partnership with local officials and community groups in naturalization to a degree never before accomplished. In Los Angeles, for example, INS hosts weekly meetings with various community groups to expand outreach and we are working in cooperation with the County of Los Angeles. Accordingly, I direct you to expand our efforts to work with local officials and groups to leverage our resources to help get naturalization information to people, assist them in filling out applications, offer more local sites for interviews, especially for the elderly and the homebound, and seek other means to jointly facilitate the process. We also will seek to work with state and local governments and community-based groups to expand the availability of local hotlines dedicated to providing easily-accessible naturalization information.

4) English Training. To assist legal immigrants move toward citizenship and new citizens expand job skills and maintain self-sufficiency, I request relevant agencies to work with the Domestic Policy Council, the National Economic Council, and other White House offices to present to me by December 30, 1996, a report describing opportunities to establish public/private cooperative efforts to teach English to the many individuals waiting to learn or improve their English-language skills. This report should consider possible roles by private companies, educational institutions, unions, community organizations, and the Americorp program to accomplish this goal.

5) Interagency Outreach. I direct each Executive agency to take steps to promote naturalization outreach consistent with your agency's mission. In particular, I direct that you include naturalization information to current recipients of benefits or services in material distributed concerning welfare reform eligibility redetermination.

6) Refugees and Asylees. Those who flee persecution and suffering in their home country are often in the weakest position to acquire the skills they need to enter the job market, maintain self-sufficiency and achieve U.S. citizenship. I direct the Secretary of the Department of Health and Human Services, in conjunction with other agencies as appropriate, to present to me through the Domestic Policy Council, a report by December 30, 1996 setting out a strategy of additional steps that we can take to promote social adjustment in the U.S., economic self-sufficiency and naturalization.

In taking these steps, the Administration shall maintain and strengthen the standards and requirements of the naturalization test that demonstrate an individual's readiness to accept the responsibilities of citizenship and full participation in our National community. You are directed to continue vigilant oversight to preserve these standards.

Hundreds of thousands of people are seeking the dream and the promise of American citizenship. They have worked to become United States citizens, and these steps should ensure that they are not made to wait unnecessarily.

Welfare
Aug 21 '96

Questions and Answers on Welfare Reform
August 20, 1996

Q: Isn't it true that the President only decided to sign the bill because of political concerns?

A: Not at all. This is a President who has always stood on principle. Our opponents have criticized his children's tobacco initiative, but he has not backed down. They have criticized his success at getting handguns off the street, but he has not wavered. Reforming the welfare system is something that he's always been committed to, and he believes it is important to begin changing the failed system as quickly as possible.

Overall, there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in \$24 billion for America's children and free up billions more in welfare payments that can now be used for job training. This legislation makes other significant improvements over the bills the President vetoed -- it drops the deep cuts and devastating changes in foster care, adoption assistance, child abuse prevention programs, the school lunch program, and aid to disabled children.

Q: Isn't it true that all of his policy advisors recommended a veto?

A: No. Some Administration officials have expressed concerns about the final bill, but that's not new. The official letters sent to Congress have always expressed concerns.

But the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in \$24 billion for America's children and will free up billions more in current welfare payments that can now be used for work activities.

Every Administration official also knows that this bill is much improved from the legislation the President vetoed last year. It's still not perfect, but it's imperative that we move away from the failed status quo.

Q: But won't this bill result in more poverty? How can you say that you care about children, and still sign this bill?

A: Very few bills are perfect, and this bill does have some flaws. However, it's important to remember how many victories the President has won since he vetoed the previous bill. This legislation does not dismantle foster care, adoption assistance, child abuse prevention programs, or the school lunch program. It does not deny cash assistance to disabled children. And it includes more funding for child care.

Overall, the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost \$4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and free up billions more in welfare payments that can now be used for job training.

It's also important to remember that this Administration expanded the Earned Income Tax Credit, and convinced Congress to vote on an increase in the minimum wage. Together with the work incentives in this bill, those actions will make many low-wage families better off, and will make work a better deal than welfare. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Studies, such as the Urban Institute study, have indicated that this reform package will force millions of kids into poverty. Is this true? What are you going to do ensure that it does not force children into poverty?

A: Let's not forget that millions of children and their parents are trapped in poverty now. No computer model can predict with 100 percent accuracy how individuals will respond when the system is fundamentally transformed. Under the new welfare law, people will be required to move into jobs, but they will also receive the supports they need -- like child care and health care -- to move from welfare to work. The legislation also contains tough child support enforcement measures that will increase collections by \$24 billion over ten years -- providing an enormous amount of money for children's food, clothing, and shelter.

We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes changes in the minimum wage and the EITC, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: How will the federal government monitor the states under the new program? How can the federal government ensure that recipients are protected from unfair treatment or discrimination resulting in loss of benefits?

A: Although states will receive considerable flexibility under the Personal Responsibility and Work Act of 1996, the law provides some level of federal oversight and protection for recipients from unfair treatment. The law requires states to submit plans outlining how they will implement the new provisions. These state plans must include objective criteria for delivering benefits and ensuring equitable treatment for recipients. States must also provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process.

In addition, the new law penalizes states that fail to meet bill requirements or misuse federal money by removing a portion of their block grant funding. States that are penalized must expend additional state funds to replace federal grant reductions.

Q: How do you justify removing the federal guarantee from women and children, particularly when the President is so far ahead in the polls? What will be the safety net for women and children who fall on hard times?

A: President Clinton signed "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" into law because the current system is broken, and because Congress made many of the changes he sought under welfare reform. His judgement was based on policy, not politics.

The new law will provide protections for women and children who fall on hard times, including time-limited cash assistance, child care, Medicaid, Food Stamps, and nutrition assistance, while helping recipients move toward work and self-sufficiency. It also contains the toughest possible child support enforcement -- which will provide new resources for children's food, clothing, and shelter. And, unlike the vetoed bill, it maintains the open-ended federal commitment to Food Stamps, foster care, and adoption services.

Q: What makes you think this dramatic shift will make a difference?

A: As the President said, this law gives us a chance to reform our broken welfare system. The law is strong on work. It provides almost \$4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. The law also includes the child support enforcement measures the President proposed two years ago -- the most sweeping crackdown on deadbeat parents in history. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

This Administration has already given 43 states the flexibility to reward work, and created millions of new jobs. Welfare rolls have already dropped by 1.3 million since 1992, and we think that progress will continue. Finally, because of the changes we've proposed in the minimum wage and the EITC, the typical welfare recipient will be better off working -- even 20 hours per week -- than she was on welfare. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: The President has acknowledged the diversity of welfare recipients. Are there provisions in the bill to take into consideration the special circumstances women often face?

A: Yes. The new law enables states to allow women with children under age six to work only 20 hours per week, and exempts single parents with children under age six from the work requirements and penalties if they are unable to find child care. States can also exempt women with children under age one for a total of 12 months. In addition, the bill allows states to exempt 20 percent of welfare recipients from the time limit.

Q: How will the Administration ensure that women are aware of the exemptions they may be allowed, such as in cases of battering or abuse? What must women do to prove that they fall into these categories?

A: The law provides several avenues through which women can be made aware of any exemptions for which they may qualify. For example, states will provide this information in their state plan, which will be a public document. States will have the option to establish procedures for the screening of domestic violence situations, as well as for referral to appropriate counseling. States may also waive other program requirements (such as time limits) in such cases. For all states, we anticipate that the state plan will specify the exemptions which the state has elected. The Administration plans to issue some guidance to states on this subject.

The statute requires that states set forth objective criteria for the delivery of benefits, determination of eligibility, and for fair and equitable treatment. As part of these criteria, it must explain the administrative or appeals process which will be available to individuals adversely affected by state agency decisions. The Administration believes this provision is critical to ensuring that individuals within each state receive the benefits and protections available under the state program.

Q: Isn't it unfair that people with disabilities will be affected so adversely by this legislation? Won't the long-term impact be greater for individuals who are forced into institutions as result of being cut off from SSI?

A: Under the new law, most legal immigrants will be ineligible for SSI until citizenship. The Administration opposes this provision, and the President has pledged to fix this flaw in the bill. The Administration has proposed an alternative approach which would require sponsors to take additional responsibility for their immigrant family members, but maintain assistance for needy legal immigrants without sponsors or whose sponsors become unable to assist them.

(The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SII are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms).

Q: How will the children of mothers who are cut off from Food Stamps get fed?

A: Children of mothers cut-off from Food Stamps for failing to meet work requirements will continue to receive Food Stamp benefits. In those rare cases, the USDA will redetermine the families' eligibility excluding the mothers' needs in calculating total benefits. If a mother were to hit the time limit, she and her family would continue to receive Food Stamp benefits, and the Food Stamp benefits would slightly increase to offset some of the loss in cash assistance. And everyone in the family would continue to receive Medicaid.

Q: How is the additional \$4 billion for child care distributed? Who gets the money?

A: The new law increases child care funding by nearly \$4 billion over 6 years, allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately \$1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). Additional funding will be available for state match at the 1995 Medicaid rate. By contrast, the bill the President vetoed increased child care funding by just \$300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.

Q: How do the expanded child support enforcement measures work?

A: The new law includes the child support enforcement measures President Clinton proposed in 1994 -- the most sweeping crackdown on non-paying parents in history. These measures could increase child support collections by \$24 billion and reduce federal welfare costs by \$4 billion over 10 years. Provisions include:

National new hire reporting system. The law establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also requires that employers report all new hires to state agencies, which will then report to the National Directory of New Hires. The law also expands and streamlines procedures for withholding child support from wages.

Streamlined paternity establishment. The new law streamlines the legal process for paternity establishment, making it easier and faster to establish paternities. It also expands the voluntary in-hospital paternity establishment program, started by the Clinton Administration in 1993. Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent.

Uniform interstate child support laws. The new law provides for uniform rules, procedures, and forms for interstate cases.

Computerized state-wide collections. The new law requires states to establish central registries of child support orders and centralized collection and disbursement units. It also requires expedited state procedures for child support enforcement.

Tough new penalties. Under the new law, states can implement tough child support enforcement techniques. The new law will expand wage garnishment, allow states to seize assets, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support.

"Families First." Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about \$1 billion in support over the first 6 years.

Access and visitation programs. In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and

facilitate noncustodial parents' visitation with and access to their children.

Q: What are individual development accounts? Are they optional or included in every state?

A: The new law explicitly allows states to use block grant money for programs to fund individual development accounts for recipients. These accounts would not be counted as income in determining benefits, and could be used by individuals to finance a small or micro-business, to pursue post-secondary education, or to purchase their first home. Twelve states have already done something similar under waivers we've granted.

Q: Why are you still granting waivers to states? Is this a way to undermine the work requirement provisions of the new law?

A: Although most states will no longer need waivers to implement welfare reform under the new law, HHS is continuing to grant waivers to states that have requested them. Some states with pending waiver requests asked HHS to either approve the entire waiver request or to extract provisions that would apply under the fast track waiver approval process. A few states without waivers already approved or pending have also submitted applications under the fast track approval process. The Clinton Administration has already approved 78 demonstrations for 43 states, and we're continuing our commitment to state flexibility.

This is not going to undermine the work requirements in the new law. The Congressional welfare reform legislation includes a provision that would give states the option to continue their welfare reform demonstrations. Also under this provision, states would not have to follow the new legislative mandates if those features were inconsistent with the state's demonstration, which include defined work activities, time limits, etc. HHS, along with the states, is seeking to clarify the language of the bill with respect to this provision. However, it is the department's understanding that all states would have to meet the work participation rates in the legislation.

Q: How does the exemption from the time limit work? Is it 20 percent over a year or at any one time?

A: The law states that the number of exempt families for a fiscal year may not exceed 20 percent of the average monthly caseload. HHS will issue further guidance on calculation of this limit in the future. However, it is important to note that the welfare bill vetoed by the President contained only a 15 percent exemption, and the Administration worked very hard to ensure that the welfare legislation included adequate exemptions from the time limit. We believe that the 20 percent exemption in the new law is adequate.

Q: Do you have any estimates on how many states will make use of the domestic violence exemption? Does this exemption apply to the work requirements as well as to the time limit?

A: We do not have estimates on how many states will make use of the time-limit exemption, which is optional. We will have that information when the states submit their plans.

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The law does not include a specific exemption from the work requirements. However, the bill does allow states to waive program requirements for victims of domestic violence, and allows states to exempt 20 percent of welfare recipients from the time limit. States may also take this factor into consideration in developing individual responsibility plans and in making decisions about how to reach the participation rates specified in the bill.

Q: Now that Medicaid will be separate from AFDC, how will the Medicaid eligibility be determined? What will happen to the families who are no longer eligible for AFDC under the new system?

A: President Clinton insisted that welfare reform not end guaranteed health care coverage for pregnant women, poor children, the disabled, and the elderly -- and the new law preserves the Medicaid guarantee. In general, individuals who would have been eligible for Medicaid before welfare reform will still be eligible for Medicaid under the new law. In addition, families that lose cash assistance eligibility due to the time limit will remain eligible for Medicaid. The new law also provides one year of transitional Medicaid for families that leave welfare because of increased earnings, and maintains the current law provision of four months of transitional Medicaid for families who leave welfare due to increased child support.

States do have the option to end Medicaid coverage for some adults -- except pregnant women -- who lose their cash assistance eligibility because they failed to meet work requirements. (This is similar to current law, which denies Medicaid to adult recipients who refuse to cooperate with paternity establishment). However, children will retain Medicaid eligibility even if their mother is deemed ineligible.

Q: In the past, SSI has been the gateway for certain individuals to receive Medicaid and Food Stamps. Will those deemed ineligible for SSI under the new legislation still be eligible for Medicaid or Food Stamps?

A: For current legal immigrants, states have the option to eliminate Medicaid assistance along with SSI, but we don't expect states to do so. Immigrants who arrive in the future will be barred from Medicaid for five years. The President opposes these provisions, and will work to change them. As the President said, "This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right ... I am convinced when we send legislation to Congress to correct it, it will be corrected." In any case, immigrants will still be eligible for emergency medical assistance and other limited kinds of care, such as immunizations.

The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SSI are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms.

Q: How will this legislation impact legal immigrants and when?

A: Under the new law, most legal immigrants will be ineligible for SSI and Food Stamps until citizenship. Current recipients may lose eligibility for these programs immediately at the time of regular redetermination for eligibility. States have the option to make most current legal immigrants ineligible for Medicaid, AFDC, Title XX Social Services, and state-funded assistance until citizenship. Future immigrants will be ineligible for five years for most federal means-tested programs, including Medicaid, but these immigrants will be eligible for Head Start and the Job Training Partnership Act.

All applicants for most federal, state, and local programs will be subject to new verification requirements to determine if they are "qualified" or "non-qualified." Qualified immigrants will include legal permanent residents, refugees, asylees, immigrants whose deportation has been withheld, and immigrants who have been granted parole status by the INS for a period of one year. Non-qualified immigrants would be ineligible for benefits (except emergency medical, school lunches/breakfasts if they are eligible for a free public education, short-term disaster, limited public health assistance, non-profit, in-kind community services such as shelters and soup kitchens, and certain housing benefits).

Future sponsors and immigrants would be required to sign new, legally binding affidavits of support. For these future immigrants, the new law extends deeming to citizenship, changes deeming to count 100 percent of a sponsor's income and resources, and expands the number of programs that are required to deem, including Medicaid.

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Q: When will you propose legislation to reverse the discrimination against legal immigrants? What will that legislation look like? Where will the funding come from to provide assistance for these individuals?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. On immigrants, the Administration has proposed an approach which would require sponsors to take additional responsibility for their immigrant family members, but maintain assistance for needy legal immigrants without sponsors or whose sponsors become unable to assist them. This proposal would still have savings over current law.

Q: One hundred and twenty-three Democratic members of Congress supported this package. Did they understand the impact of the provisions affecting legal immigrants, and did they support these provisions, or did they support the bill in spite of those provisions?

A: Democrats and Republicans voted for this legislation because they know that the current welfare system is broken and must be fixed. Like the President, many members of Congress are concerned about the provisions affecting legal immigrants, and they are supportive of the Administration's plan to fix this flaw in the law. Let's remember that this bill is much better than what the President vetoed. That legislation was soft on work and tough on children. It failed to provide adequate child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. This new legislation is much improved. Congress has removed many of the worst elements the President objected to, and has included many of the improvements the President called for.

Q: What specifically is the Administration planning to do to address the flaws in the legislation? And when? What about the AFDC portion of the legislation?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. In terms of the AFDC provisions, states will be able to use their block grant funds, which initially provide most states with more resources than they currently receive, to move people into jobs and help employers create new positions for welfare recipients. Additional child care funding, new resources from child support enforcement, and the guarantee of nutrition assistance, foster care and adoption services, and health care coverage will work together to help families move from dependence to self-sufficiency. We will closely monitor the states to be sure that they are rewarding work and meeting the goals of the legislation. This new law gives states powerful performance incentives to place people in jobs. We also know that 43 states are already promoting work and protecting children under welfare waivers granted by the Clinton Administration.

Remember, the minimum wage and EITC changes we've fought for will make work pay. In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: When does the new welfare system take effect?

A: The new law goes into effect on July 1, 1997. States are required to submit plans by that date detailing how they will meet the law's provisions, and these plans will be reviewed for completeness by HHS. Upon completion of their plans, states will be able to draw down block grant funds.

- Q: How will states address such needs as transportation and job training? Where will the resources come from?
- A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.
- Q: What is the President's position on Senator Wellstone's resolution calling for a continued safety net for battered women? This did not pass as part of the welfare reform bill -- will the President work to have it reintroduced as legislation when Congress comes back into session?
- A: The Administration has not yet decided what would be included in a legislative package to improve the welfare legislation Congress passed.
- Q: How will you protect teen mothers who are required to live at home but are at risk of being sexually, physically, or emotionally abused in those settings?
- A: The law requires teen parents to live at home or in an adult-supervised setting in order to receive assistance. States will be required to locate alternative living arrangements for those teens who may be at risk of abuse in their homes.
- Q: There is a two-year limit for women to find jobs -- where will these jobs come from?
- A: This bill gives states the ability to create jobs by taking money now used for welfare checks and give it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. It also builds on the reforms taking place in 43 states under waivers granted by the Clinton Administration. Some of these states are securing private sector jobs for welfare recipients by providing wage subsidies and forging new private/public sector partnerships. In other states, employers are providing work place mentoring for participants and contributing to special accounts that recipients can later use to increase their education and training. The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements.
- Q: Some Democrats have said that this legislation is just the beginning of needed reforms to the welfare system. Do you agree? What do you plan to do to build on this, and when?
- A: This welfare legislation is a critical step in transforming our broken welfare system into one that requires work and promotes parental responsibility. The new law will make sweeping changes to the welfare system -- through time limits, work requirements, child care resources, and the toughest ever child support enforcement. When combined with an increased minimum wage and the EITC,

we expect that it will make a fundamental difference in moving people from welfare to work. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and she may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

The President is also planning to take other steps to increase the availability of jobs for welfare recipients, which he will announce soon.

Q: Did you speak with the people who will be affected most by these changes?

A: The President and other members of the Administration have met with welfare recipients to discuss their experiences and ways to best change the system. The President also met with welfare recipients at the Blair House meeting on welfare reform last year. As the President said in his 1995 State of the Union Address, "I may be the only President who has had the opportunity to sit in a welfare office, who's actually spent hours and hours taking to people on welfare. And I am telling you, the people who are trapped on it know it doesn't work."

Q: For those who have not completed high school, lack sufficient language skills and are functionally illiterate, what kind of work can they expect to get?

A: The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements. We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes changes in the minimum wage and the EITC, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Will children of legal immigrants be denied school lunches under the new law?

A: All children, including those of legal immigrants, who are eligible for public school will continue to receive free school breakfasts and lunches under the new law.

Q: How does this reform affect public housing?

A: This new law does not affect public housing -- the Clinton Administration is maintaining our investment in housing for poor families. Poor families will also continue to receive Medicaid and Food Stamp benefits under the law.

Q: Who will create and fund the needed job training programs?

A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.

Q: The social services agencies that deal with child abuse and neglect, teen pregnancy, and juvenile crime, are already overwhelmed. Will this legislation result in an increased need for these services without providing funding?

A: This legislation preserves the foster care, adoption, child welfare, and family preservation programs - the federal government and the states will continue to work to meet the needs of children and families at risk. In addition, the legislation contains new funds for teen pregnancy prevention and abstinence programs, and it requires at least 25 percent of communities to have teen pregnancy prevention programs in place.

Q: If corporate America has been laying off employees and downsizing, and the job market is filled with skilled laborers, how will unskilled workers fit in?

A: Since taking office, the Clinton Administration has created 10 million new jobs and provided new employment opportunities for workers of various skill levels. And, as welfare rolls continue to shrink, states will be able to use money now used for welfare checks to provide work-related services, community service jobs, or income subsidies for employers to hire welfare recipients.

* Michael Kharfey (HHS)
(401-9215) can take
state specific questions

From HHS

AMC
BT
Welfare 8/16/96

**Questions and Answers On Welfare Waivers
8/16/96**

Q: Why are you granting waivers to states when the bill is about to be signed? Is this a way to undermine the work requirement provisions of the new law?

A: Although most states will no longer need waivers to implement welfare reform under the new law, HHS is continuing to grant waivers to states that have requested them. Some states with pending waiver requests asked HHS to either approve the entire waiver request or to extract provisions that would apply under the fast track waiver approval process. A few states without waivers already approved or pending have also submitted applications under the fast track approval process. The Clinton Administration has already approved __ demonstrations for 41 states, and we're continuing our commitment to state flexibility.

This is not going to undermine the work requirements in the new law. The Congressional welfare reform legislation includes a provision that would give states the option to continue their welfare reform demonstrations. Also under this provision, states would not have to follow the new legislative mandates if those features were inconsistent with the state's demonstration, which include defined work activities, time limits, etc. HHS, along with the states, is seeking to clarify the language of the bill with respect to this provision. However, it is the department's understanding that all states would have to meet the work participation rates in the legislation.

Q: Why is the department granting Indiana's waiver, but still hasn't acted on Wisconsin's?

A: Some states have asked HHS to go ahead and approve their waivers, even though they may not be necessary under the new law. Indiana received approval from the Clinton Administration for its first demonstration, "Indiana Manpower Placement and Comprehensive Training (IMPACT)" on December 15, 1994. Indiana submitted several amendments to the IMPACT demonstration on December 14, 1995 and February 6, 1996. There is no special treatment here for Indiana over Wisconsin -- Indiana's applications are amendments to an currently operating demonstration, have been pending longer and are simpler.

(Background: Hawaii's waiver request was received on 5/7/96; Indiana's on 12/14/95, with additional amendments received on 2/6/96; Maryland's request was received on 4/26/96; Minnesota's AFDC waiver was received on 4/4/96, with amendments received on 5/28/96, and Minnesota's Work First waiver was also received on 4/4/96. Wisconsin's official waiver request was received on 5/29/96).

- Q: What are the Administration's plans for the Wisconsin waiver since Congressional legislation has now been passed?
- A: In fact, no action may be necessary, since the new federal law appears to give Wisconsin all of the flexibility it needs to move forward on its reforms. We won't know for sure until we've carefully reviewed the final bill and report language.
- Q: But Governor Thompson says he still does need the waiver, and is accusing the President of renegeing on his promise to grant it. Is he right?
- A: It appears that the new federal law gives Wisconsin all of the flexibility it needs to move forward on its reforms, so the waiver request may be moot. However, the new law is quite complicated, and we'll need to carefully review the final bill and report language before we'll know for sure.
- Q: Bruce Reed said recently that the waiver is essentially moot. Is he right or wrong?
- A: It appears that the new federal law gives Wisconsin all of the flexibility it needs to move forward on its reforms, so the waiver request may be moot. However, the new law is quite complicated, and we'll need to carefully review the final bill and report language before we'll know for sure.
- Q: If Wisconsin's waiver is moot, aren't all state waiver requests moot? Why is HHS still granting waivers to other states?
- A: Some states have asked HHS to go ahead and approve their waivers, even though they may not be necessary under the new law. But there is no special treatment here - the waivers HHS is granting were received prior to Wisconsin's, have been pending longer, and are simpler.
- Q: Tommy Thompson has specifically said that the health care sections of his proposed demonstration are not possible without a waiver. Is he right or wrong?
- A: Governor Thompson is apparently referring to the Medicaid sections attached to his welfare waiver. They were a small part of his proposal, and may in fact require waivers of Medicaid -- not AFDC -- law to go into effect. Because the new law is quite complicated, HHS will need to carefully review the final bill and report language before making any final determination.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Friday, Aug. 16, 1996

Contact: Michael Kharfen
(202) 401-9215

HHS APPROVES AMENDMENTS TO INDIANA WELFARE DEMONSTRATION

HHS Secretary Donna E. Shalala today announced approval of modifications to the Indiana Manpower Placement and Comprehensive Training Act (IMPACT). This is the second welfare waiver application approved for Indiana and the 70th state demonstration approved under the Clinton Administration.

"As President Clinton prepares to sign historic welfare reform legislation that fulfills his principles of requiring work and promoting parental responsibility, he also continues his commitment to state flexibility," said Secretary Shalala. "This waiver builds on Indiana's promising demonstration and lays a strong foundation for its new welfare program. I commend Gov. Bayh for his continuing leadership on welfare reform."

Under the modifications approved today, Indiana will limit the amount of time any family member may receive Aid to Families with Dependent Children (AFDC) benefits to 24 months, with exceptions. It will extend the time limit one month for each six-month period of employment by any member of the family. Extensions will also be granted when the family has substantially complied with self-sufficiency plans and JOBS requirements and is still unable to find work that pays at least the AFDC benefit amount.

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Adult AFDC recipients must register for work at the local employment and training office and participate in the Community Work Experience Program as a condition of eligibility. Mothers will be exempt from working only during the first 12 weeks of the new child's life, and most minor parents will be required to live with a parent or guardian. The income and resources of the adults will be considered when determining eligibility for the minor parent and child.

The family cap provision is being modified to allow a \$29.50 monthly voucher for any child conceived while the family is on AFDC. Children born with substantial physical or mental disabilities can receive full benefits.

Anyone who quits a job of 20 hours per week or more will lose their benefits for six months, or will not be eligible to apply for AFDC for six months. Sanctions are being increased against poor school attendance, defined as three or more absences in any semester or grading period. There will be tougher sanctions for failure to cooperate with child support requirements, and tougher penalties for fraud.

Employed AFDC recipients will be given the opportunity to receive child care benefits in lieu of an AFDC payment, and the state can use savings from the demonstration to fund additional child care benefits.

"With this demonstration, Indiana moves closer to ending welfare as we know it," said Mary Jo Bane, assistant secretary for children and families. "Indiana families will now have an improved opportunity to achieve self-sufficiency."

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IMPACT will operate for seven years and include a rigorous evaluation.

Under the welfare reform bill passed by Congress, states that have waivers approved prior to the law's enactment generally may continue their waivers even when they conflict with the legislation.

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Note: HHS press releases are available on the World Wide Web at:
<http://www.dhhs.gov>.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Friday, Aug. 16, 1996

Contact: Michael Kharfen
(202) 401-9215

HHS APPROVES AMENDMENTS TO MARYLAND WELFARE DEMONSTRATION

HHS Secretary Donna E. Shalala today announced approval of amendments to Maryland's Family Investment Program (FIP), originally approved for Prince George's and Anne Arundel counties in August 1995. These amendments expand most FIP provisions statewide and add a number of new provisions to encourage work and aid the transition to self-sufficiency. This is the second waiver application for Maryland and the 71st state demonstration approved under the Clinton Administration.

"As President Clinton prepares to sign historic welfare reform legislation that fulfills his principles of requiring work and promoting parental responsibility, he also continues his commitment to state flexibility," said Secretary Shalala. "Gov. Glendening's waiver builds on Maryland's promising demonstration and lays a strong foundation for its new welfare program."

Original provisions, which now apply statewide, include requiring able-bodied applicants for Aid to Families with Dependent Children (AFDC) to participate in job search as a condition of eligibility, with some exceptions. Full-family sanctions may be imposed for failing to cooperate with JOBS requirements, and JOBS services will be available to non-custodial parents unable to pay child support.

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Resource limits will be increased, and earned income of dependent children will be disregarded. Benefits will be provided for children age 18 and 19 who are full-time secondary school students, and a parent will be able to work more than 100 hours a month and retain eligibility. Families facing a short-term financial crisis will be able to receive a one-time payment to meet immediate needs rather than applying for AFDC.

Under new statewide provisions, case managers can certify AFDC benefits for up to one year, based on individual circumstances, and must re-establish eligibility before the certification period ends. Twenty percent of earned income and 50 percent of self-employment income will not be counted in figuring eligibility. Mothers will not be exempt from JOBS participation because of pregnancy, unless a doctor provides a medical exemption.

The state will retain all child support payments. Failure to cooperate with child support enforcement requirements can result in the entire family being ineligible for cash assistance and the adult being ineligible for Medicaid. Conviction of fraud by any member of the family will also result in the entire family being ineligible for cash assistance.

"With these amendments, Maryland continues to move closer to ending welfare as we know it," said Mary Jo Bane, assistant secretary for children and families. "More Maryland families will now have a new opportunity to achieve self-sufficiency."

The JOBS program, created by the Family Support Act in 1988, requires non-exempt AFDC recipients to participate in job readiness activities.

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FIP will operate until Dec. 31, 1999, and include a rigorous evaluation.

Under the welfare reform bill passed by Congress, states that have waivers approved prior to the law's enactment generally may continue their waivers even when they conflict with the legislation.

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HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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Friday, Aug. 16, 1996

Contact: Michael Kharfen
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HHS APPROVES TWO MINNESOTA WELFARE WAIVERS

HHS Secretary Donna E. Shalala today approved two welfare demonstration projects for the state of Minnesota: "Work First" and the "Aid to Families with Dependent Children (AFDC) Barrier Removal." These are the second and third waiver applications for Minnesota and the 72nd and 73rd state demonstrations approved under the Clinton Administration.

"As President Clinton prepares to sign historic welfare reform legislation that fulfills his principles of requiring work and promoting parental responsibility, he also continues his commitment to state flexibility," said Secretary Shalala. "These new waivers will build on Minnesota's promising demonstration and lay a strong foundation for its new welfare program."

Work First will operate in Clay and Carver counties and will assign new applicants to one of three program tracks: immediate employment, deferred employment, or a transitional period during which appropriate services will be provided. For those applicants who are victims of domestic abuse, homeless or in treatment for chemical dependency, a personal stabilization period of up to eight weeks will be allowed before participation in an employment plan. The project will also require new applicants to participate in Work First job search and employment activities. The state will provide

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AFDC benefits in the form of vendor payments for the family's rent and utilities for the family's first six months receiving AFDC.

The demonstration will also provide work incentives, services and supports to move applicants into the work force as soon as they begin to receive AFDC payments. The state will provide post-placement supportive services for up to 180 days after a person leaves AFDC for work. Eligibility for transitional child care and Medicaid will be expanded. Participants who fail to comply with program requirements will be sanctioned.

In the statewide AFDC Barrier Removal demonstration, for minor parents and their dependent children living with an adult parent not receiving AFDC, the state will disregard the adult parents' earned income up to 200 percent of the federal poverty guideline. Earned income of dependent children and minor parents who are at least half-time students will be excluded in determining eligibility and benefits. Funds deposited into an identified separate savings account as a resource for dependent children and minor parents who are applicants or recipients will also be excluded. The state will disregard the equity value of one motor vehicle up to the Food Stamp dollar limit, currently \$4,600, and will eliminate several AFDC-UP eligibility restrictions.

"Minnesota's demonstrations promote responsible parenthood by helping keep two-parent families together and providing incentives for minor parents to live in adult-supervised settings," said Mary Jo Bane, assistant secretary for children and families. "These waivers will give Minnesota a strong foundation for reforming its welfare system."

- More -

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The demonstrations will operate for five years, and will include a rigorous evaluation.

Under the welfare reform bill passed by Congress, states that have waivers approved prior to the law's enactment generally may continue their waivers even when they conflict with the legislation.

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<http://www.dhhs.gov>.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Friday, Aug. 16, 1996

Contact: Michael Kharfen
(202) 401-9215

HHS APPROVES HAWAII WELFARE WAIVER

HHS Secretary Donna E. Shalala today announced approval of "Pursuit of New Opportunities," a statewide demonstration for Hawaii. This is the second waiver application approved for Hawaii and the 74th state demonstration approved under the Clinton Administration.

Under the demonstration, Hawaii will limit Aid to Families with Dependent Children (AFDC) benefits to five years for families with an employable adult, with some exceptions. The maximum grant amount for non-exempt families will be reduced by 20 percent after two full months of eligibility.

"As President Clinton prepares to sign historic welfare reform legislation that fulfills his principles of requiring work and promoting parental responsibility and protecting children, he also continues his commitment to state flexibility," said Secretary Shalala. "This waiver builds on Hawaii's promising demonstration and lays a strong foundation for its new welfare program."

To make work pay more than welfare, the state will increase the earnings disregard and asset limits. The income of minor students will be excluded from the household's income, along with student loans. The full value of one vehicle used for employment will be exempted.

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To encourage two-parent families in their transition from welfare to work, mothers or fathers will be able to work more than 100 hours a month and retain eligibility. Also, minor parents without a high school diploma or GED will be required to participate in educational activities.

"With this demonstration, Hawaii moves closer to ending welfare as we know it," said Mary Jo Bane, assistant secretary for children and families. "Hawaii families will now have a new opportunity to achieve self-sufficiency."

This waiver approval will replace Hawaii's current "Creating Work Opportunities for JOBS Families" demonstration. The new demonstration will operate for eight years, and include a rigorous evaluation.

Under the welfare reform bill passed by Congress, states that have waivers approved prior to the law's enactment generally may continue their waivers even when they conflict with the legislation.

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Note: HHS press releases are available on the World Wide web at:
<http://www.dhhs.gov>.

pls file
welfare
8/1/96

Welfare Reform Talking Points

August 1, 1996

- o **A broken system.** When President Clinton ran for president four years ago, he pledged to end welfare as we know it. Since taking office, President Clinton has done everything in his power to transform the welfare system into one that rewards work, protects children, and promotes parental responsibility. But he has emphasized from the start that we need national legislation to get the job done.
- o **A much improved bill.** We've come a long way in this debate. Last year the Republican majority in Congress sent President Clinton legislation that had its priorities backward: It was soft on work, and tough on children. It failed to provide child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. The current bipartisan bill is significantly better than the bills the President vetoed. Congress has removed many of the worst elements the President objected to, and has included many of the improvements the President called for.
- o **Rewarding work.** The new bill is strong on work. It provides \$4 billion more for child care so that mothers can move from welfare to work, and gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as an incentive to hire people, or to create community service jobs.
- o **Protecting Children.** This new bill is better for children than the two bills President Clinton vetoed. It maintains the national nutritional safety net by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers to children whose parents can't find work after the time limits expire. It protects children by maintaining health and safety standards for day care. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.
- o **Demanding responsibility.** This bill also includes the child support enforcement measures President Clinton proposed -- the most sweeping crackdown on deadbeat parents in history. We can now say to parents, if you don't pay the child support you owe we will garnish your wages, take away your driver's license, track you across state lines and if necessary make you work off what you owe.
- o **Parts of the bill still need to be fixed.** The legislation is, however, far from perfect. There are parts of it that are wrong and need to be fixed. This bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. The bill would also repeal the excess shelter deduction, which helps some of our hardest-pressed working families with children. In addition, the bill includes provisions that will hurt legal immigrants, denying medical and other help to families with children who fall on hard times through no fault of their own.
- o **A record of accomplishment.** Over the past three and half years, President Clinton has done everything in his power as president to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. The Clinton Administration has also required teen mothers to stay in school, required federal employees to pay their child support, cracked down on people who owe child support and cross state lines. As a result, child support collections are up 40 percent to \$11 billion, and there are 1.3 million fewer people on welfare today than when President Clinton took office.

July 31, '96
Welfare (Reform)

Q: Isn't it true that the President only decided to sign the bill because of political concerns?

A: Not at all. This is a President who has always stood on principle. Our opponents have criticized his children's tobacco initiative, but he has not backed down. They have criticized his success at getting handguns off the street, but he has not wavered. Reforming the welfare system is something that he's always been committed to, and he believes it is important to begin changing the failed system as quickly as possible.

Q: Isn't it true that all of his policy advisors recommended a veto?

A: No. Some Administration officials have expressed concerns about the final bill, but that's not new. The official letters sent to Congress have always expressed concerns.

But the Administration believes that there is more good than bad in this bill. Child care spending, for example, is more than \$3 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and will free up billions more in current welfare payments that can now be used for job training.

Every Administration official also knows that this bill is much improved from the legislation the President vetoed last year. It's still not perfect, but it's imperative that we move away from the failed status quo.

Q: But won't this bill result in more poverty? How can you say that you care about children, and still sign this bill?

A: Very few bills are perfect, and this bill does have some flaws. However, it's important to remember how many victories the President has won since he vetoed the previous bill. This legislation does not cut foster care, adoption assistance, child abuse prevention programs, or the school lunch program. It does not deny cash assistance to disabled children. And it includes more funding for child care.

Overall, the Administration believes that there is more good than bad in this bill. Child care spending, for example, is more than \$3 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and free up billions more in welfare payments that can now be used for job training.

It's also important to remember that this Administration expanded the Earned Income Tax Credit, and convinced Congress to vote on an increase in the minimum wage. Together with the work incentives in this bill, those actions will make many low-wage families better off, and will make work a better deal than welfare.

Q: Why did it take the President so long to make up his mind on this issue, when he's pledged to end welfare as we know it since 1992?

A: As the President said yesterday, the bill has been improved in many ways, but still falls short in others. The President's goal is to move single parents to work while protecting their children, and he wanted to carefully review the legislation himself. He also wanted to hear from his Cabinet how the work incentives in the bill will work, and how the increase in the minimum wage he's been fighting for would help reward work over welfare.

Overall, the President is convinced that there is more good than bad in this bill. Child care spending, for example, is more than \$3 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and will free up billions more in current welfare payments that can now be used for job training. But it's a decision the President wanted to make carefully and thoughtfully.

This is a good, solid welfare reform bill. It includes many of the provisions we have called for from the start -- tough time limits, work requirements, child support enforcement, child care so that parents can go to work, requirements that teen parents live at home and stay in school, and performance bonuses to reward states for replacing welfare with work.

This bill is not perfect, but it unquestionably includes more good than bad. Child care spending, for example, is more than \$3 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and will free up billions more in current welfare payments that can now be used for job training.

It's imperative that we move away from the failed status quo. The current system is badly flawed, and must be dramatically transformed. Welfare should be a hand up, not a hand out. Unfortunately, the spending reductions in this bill are no less extreme than the cuts in the bill the President vetoed. Many of these cuts would hurt working families and their children, particularly those who live in big cities. And next year, when election year politics are over, we will work hard to erase those cuts, particularly those that affect children.

Critics say that this bill represents unprecedented change in the welfare system -- changing it from an indefinite source of support to a temporary, transitional one. That is true. But society has also undergone unprecedented change since AFDC was created in 1921. Single parent families are more common. Most mothers work. Most children who are not in school are in day care. And we now know that the right kinds of child care can have enormous benefits for poor children.

This bill is much improved from the legislation vetoed last year. This legislation does not cut foster care, adoption assistance, child abuse prevention programs, or the school lunch program. It does not deny cash assistance to disabled children. And it includes more funding for child care.

It's also important to remember that this Administration expanded the Earned Income Tax Credit, and convinced Congress to vote on an increase in the minimum wage. Together with the work incentives in this bill, those actions will make many low-wage families better off, and will make work a better deal than welfare.

	VETOED BILL	CURRENT BILL
Guaranteed Medicaid	NO	YES
Block Grants Food Stamps	YES	NO
Block Grants Foster Care	YES	NO
Cuts Funding for Foster Care	YES	NO
Block Grants Adoption Assistance	YES	NO
Cuts Funding for Adoption Assistance	YES	NO
Cuts Funding for Investigation of Child Abuse	YES	NO
20% Exemption From Time Limit	NO	YES
Adequate Child Care Funding	NO	YES
Child Care Health and Safety Standards	NO	YES
80% Maintenance of Effort Required	NO	YES
Teens Required to Live at Home	YES	YES
Performance Bonus for States	NO	YES
Child Support Enforcement	YES	YES
Cuts Cash Assistance by 25 Percent for Some Disabled Children	YES	NO

Poverty/Kids

Welfare
7/29/96

7/26/96

Q: What is your reaction to the analysis released today that shows welfare reform putting one million children into poverty?

A: First, it is not our analysis, and I can't comment on its validity. The important thing to us is getting a welfare reform bill that has bipartisan support, that overhauls the current failed system, and that demands work and personal responsibility. The President remains optimistic that Congress can act in a bipartisan fashion to draft legislation that he can support.

Q: But this analysis was done by the same people who did OMB's analysis last year -- and the numbers are quite similar. How can you possibly support legislation that will make a million children poorer?

A: As we said last year, no computer model can predict with 100 percent accuracy how individuals will respond when the system is fundamentally transformed. We believe that many women on welfare want to work, and will do so if they can find child care for their children. We believe that when society demands that absent parents pay child support, they will do so -- and that they should be forced to if they don't.

Our own position is clear. We've consistently advocated policies to maximize the incentives and opportunities for success, and to reduce the risk to children. That's why we've argued for child care and performance bonuses that create incentives for welfare recipients to move to work. And that's why we've argued against Republican proposals that would simply punish kids -- block granting adoption and foster care, cutting the school lunch program, and reducing benefits for disabled kids, for example. We've made a lot of progress, and we hope that bipartisan progress will continue.

Q: So do you think these numbers are in the ballpark?

A: Again, it is not our analysis, and I can't comment on its validity. The important thing to us is getting a welfare reform bill that has bipartisan support, that overhauls the current failed system, and that demands work and personal responsibility.

But I've been told that the analysis was done on the House bill, and does not reflect the improvements made in the Senate. I also understand that it does not account for increases in child care and ~~child support~~ -- nor for the imminent increase in the minimum wage.

* In letter to Magillion 6/26/96 we said things would mean "some what few" children would fall below poverty line. Consistent of this new study

Q: Senator Moynihan is again charging that you've refused to do such a study yourselves because the President is so desperate that he'll sign anything. How do you respond?

A: The President's interest in welfare reform is longstanding, and his views are clear: we've got to dramatically change the system, and try something fundamentally new. The President is very concerned about the millions of children who are growing up on welfare right now, so maintaining the current system is not an option.

Remember, we have been fighting to protect children throughout the Administration and throughout this Congress. It's the Republicans who have proposed block granting adoption and foster care, cutting the school lunch program, and reducing benefits for disabled kids. It's the Republicans who opposed key amendments in the Senate to protect children. And it's the President who has not only opposed those proposals, but has championed a range of programs like Head Start and family leave to make American kids' lives better.

Q: Do you plan to do your own analysis?

A: No.

Q: What are the differences between the House and Senate bill?

A: The Senate bill has lower Food Stamp cuts, and fewer bans on aid to legal immigrants. It does not have a Food Stamp block grant. And it has tighter maintenance of effort provisions.

(NOTE: The Urban Analysis says these provisions would have only a modest impact on poverty.)

7/24/96

ASAP.

Melissa

690-6343

Q: Would the President sign the bill or not?

A: As the President said yesterday, a lot of progress has been made since he vetoed the last Republican bill. Unlike the vetoed bill, the Senate bill now provides guaranteed Medicaid coverage for pregnant women and poor children; increases child care funding; requires 80 percent maintenance of effort from states; includes a 20 percent exemption from the time limit; maintains health and safety standards for child care; provides a performance bonus for states; and rewards states for moving people from welfare to work. It also eliminated the block grant for foster care and adoption assistance, as well as the steep cuts in aid for disabled children. So, we've had lots of important successes. The House bill contains most of these same improvements. But we can't backtrack on this bipartisan progress. If Congress does go backwards, if they choose partisanship over bipartisan progress, there will be trouble in terms of getting the President's signature on a final bill.

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(BACKGROUND: Lott remarks were made at his press availability yesterday, July 23.)

Q: But what exactly does the President want in the final bill for it to be acceptable?

A: The President wants bipartisanship to continue. Last year, the Senate passed a welfare reform bill 87-12. This year, the vote was only 74-24. In the House, moderate Democrats, like Rep. Tanner, voted against the Republican bill because it was too extreme. So the President would like the Democrats, like Senator Daschle, Senator Breaux, and Tanner, in conference as equal partners. He wants the bipartisan progress made on the Senate side to continue. And he's optimistic that will happen, and that he'll get a bill he can sign.


(Background: The Senate accepted two amendments that were top priorities for the Administration yesterday: to continue Medicaid coverage for families that reach the time limit, and to drop the Food Stamp block grant. However, two other amendments failed. The Breaux amendment to allow states to use federal funds for children's vouchers after the time limit got 51 votes but needed 60 to win. A less stringent Ford amendment on vouchers appeared to be headed for victory, before Lott injected partisanship into the debate and killed it 50-49. Assistance for immigrant children (Kennedy amendment) was defeated by 51 to 48, because it needed 60 votes to win.)

in the ballpark of real welfare reform.

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Q: Why are you optimistic that you'll get a bill the President can sign?

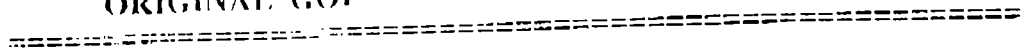
A: The Senate already made important improvements to the bill yesterday, and we believe that further improvements can be made in conference. For example, the Senate adopted bipartisan amendments to guarantee Medicaid coverage to families that hit the time limit, and to drop the Food Stamp block grant. Senator Lott said yesterday that the Administration should, and will, have input during the rest of the process. The Senator said that the Administration's "concerns will be heard, and some of them surely will be addressed."



MAJOR DEMOCRATIC IMPROVEMENTS TO WELFARE REFORM

ORIGINAL GOP

FINAL



WORK:

- measures participation
- no work bonus
- no specific child care money
- no state maintenance of effort
- job training funds raided
- no work exemptions

- measures real work
- performance bonus
- \$13.8 b for child care
- 80% maintenance
- no raid on job training
- exempts moms w/kids under 1

TIME LIMITS:

- 10% exemption

- 20% exemption

PROTECT KIDS:

- no Medicaid coverage
- optional food stamp block grant
- no child care money
- 30% x-ferability of CCDBG
- 30% x-ferability of block grant to anything
- home alone: penalties for moms who can't find child care even moms with infants
- moms w/kids of any age required to work up to 35 hours per week by 2002
- deny teen moms aid
- no contingency grant fund
- SSI severely cut/block granted
- child protection programs block granted
- child care health & safety standards deleted
- child care quality setaside reduced
- no corrective action plan

- Chafee/Breaux complete coverage
- no food stamp block grant
- \$13.8 billion child care
- no x-fer of CCDBG
- restrict x-fer to child care
- no mom with child under 11 can be penalized if she can't find or afford child care
- state option to allow mom w/kids under 6 to work 20 hours
- state option
- \$2 billion contingency grant fund
- no block grant/no huge cut
- no block grant of child abuse
- health & safety standards retained
- child care quality setaside retained
- correction action plan required for states with increases in child poverty

FAIRNESS & EQUAL PROTECTION:

- State doesn't have to have a plan
- no fair hearings
- no appeals process for families
- no involvement of local gov or private sector
- no equitable access for Indians
- no standards against fraud & abuse
- no growth bonus
- very weak displacement language
- no Medicaid transitional coverage
- no application of nondiscrimination
- no penalty for noncompliance w/plan
- no personal responsibility contract
- no procedures for women subject to domestic violence

- State plan required
- Fair hearings required
- appeals process
- involve & 45 day comment
- equitable access for Indians
- standards against fraud & abuse
- growth bonus
- stronger displacement language
- transitional coverage
- nondiscrimination laws apply
- penalty for noncompliance
- personal contract required
- procedures required for women subject to domestic violence

Poverty/Kids

7/26/96

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PO03/004

TO 93957298

FROM OASPA NEWS DIV

07-26-96 09:24AM

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