

**SUPPLEMENTAL
BRIEFING
MATERIALS**

NGA MEETING

December 8, 1994

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12/94

DPC Notes

THURSDAY, DECEMBER 8

7:30 - 8:30 Breakfast with VP and Small Business Roundtable in VP's office, contact: Matt Riordan x66540.

NOTE: Jeremy will cover senior staff meeting.

NOTE: There is a BUDGET MEETING with the POTUS (8:15 - 10:15, Cabinet Room), which Bill will attend for you.

8:55 - 9:05 Car to the Marriott at Metro Center

9:15 - 9:30 Meeting with member of the NGA hearing panel, re: agenda for WH meeting at 3:00, New York room.

9:30 - 11:45 NGA program @ Marriott, Ballroom, until break for governor's only lunch.

NOTE: GOVERNORS ONLY LUNCH from 11:45 - 12:45.

NOTE: Health Care Meeting with the First Lady, (Map Room), Bill and Chris will cover.

12:45 - 3:00 Afternoon session on NGA conference commences, Marriott Hotel, Ballroom.

3:00 - 3:10 Car back to White House.

3:30 - 5:00 NGA Lead Governors Meeting (Roosevelt Room)
contact: Lawton x62896.

4:30 - 4:40 **POTUS BRIEFING ON NGA MEETING (with Marcia Hale), (Oval Office), contact: Marcia Hale, Carol Rasco**

4:40 - 5:10 **POTUS DROP-BY FOR MEETING, (Roosevelt Room), contact: Marcia Hale, Carol Rasco**

6:30 - 6:40 Car to reception

6:00 - 7:30 Reception: Democratic Governors' Association, The Jefferson Hotel, 16th & M Streets, NW, contact: Caroline Cunningham (202) 479-5153.

7:15 - 7:25 Car back to White House.

THE WHITE HOUSE
WASHINGTON

December 6, 1994

MEMORANDUM FOR: Carol Rasco

FROM: Mickey Levitan
Gaynor McCown

SUBJECT: **Briefing Materials: NGA Meeting – December 8, 1994**

The NGA folks did a nice job with the attached briefing materials. For each state, they have included a brief program description which includes summary achievements and suggested questions.

This binder is a supplement that includes:

- A piece entitled "*Commendations and Questions*" which provides additional general questions and "strokes" as well as more specific strokes for each program (we struck strokes from the title in case someone looked over your shoulder).
- Information from Cabinet Affairs regarding outstanding waivers and other issues for the presenting states and communities.
- The latest NGA policy papers on health, welfare, and coordinated services for children.
- Copies of relevant correspondence from NGA.
- Transcript from 11/20/94 *Meet the Press* discussion with Governors.

You will see that the information from Cabinet Affairs has not yet been added. It is promised for Wednesday morning.

We'll see you on Wednesday at 6:00 PM for the briefing. In the meantime, please let us know if you require any further information.

Commendations and
Questions

COMMENDATIONS AND QUESTIONS

GENERAL

Commendations

- Your efforts to bring together a myriad of groups, organizations, and individuals to make it easier for families and children to get the assistance they need is a wonderful example.
- It seems that you have been able to mobilize an extraordinary amount of energy and competence to address the integrated needs of children, families and their communities. Congratulations.
- For many years, programs supporting children and families have been fractured, duplicative, or unconnected to other related programs. Your efforts have begun to reverse that trend and serve as evidence that services can be made much more effective with good planning, collaboration, and a sense of shared purpose.

Questions

- How do you measure your own results? How are your objectives set? How are evaluations conducted? How are recommendations incorporated into improving the program?
- Both the President and the new Congress are interested in devolving increasing levels of responsibility and resources to states and local communities to implement a wide array of human services programs. At the same time, the federal government must be accountable for the use of its resources. How should the federal government work together with states and communities to establish standards of accountability? What kinds of incentives related to federal funding should be established to encourage successful programs and improve less successful ones?
- In many efforts to integrate services, leadership and initiative are often provided by one person, or a small group of people. A major challenge is to institutionalize a process which remains strong when even the initial leaders are no longer around. How have you dealt with the challenge of institutionalizing your program?
- If you were sitting on this panel, what kinds of action would you be taking to further support the work of communities like yours?

COMMENDATIONS BY STATE

Vermont

- I was especially encouraged to see that you have had success in reducing the teen pregnancy rate. Many experts believe that this kind of preventive work yields the greatest benefits in terms of reducing the vast array of problems faced by disadvantaged young children.
- I would like to congratulate you on your creativity in combining streams of categorical funding to initiate the kind of integrated program you feel most responds to the problems you face.

Wisconsin

- It appears that you have been able to successfully mobilize and coordinate the efforts of many volunteers. This certainly is no easy task. Develop appropriate channels for the for the vast reservoir of talented people willing to volunteer their time is indeed a great contribution.
- Listening to the description of your program, I am impressed by your abiding effort to help people to help themselves. The results of your work is exactly what the President means when he talks about empowerment.

Missouri

- You are to be congratulated for creating an environment that encourages children to succeed rather than punishes them for failure. The improvements in school performance you have cited are remarkable.
- I was especially encouraged to learn of community efforts to combat drugs. Whereas individuals often feel powerless to deal with drug-related problems, communities working together can create the kind of solidarity, support, and commitment necessary to make things better.

Minnesota

- It appears you have gotten very positive results from making it easier for families to tap into services by such actions as simplifying forms, extending hours, and co-locating services. As you know, such efforts form part of the core of the President's initiative to reinvent government.
- You have taken on a considerable challenge in orchestrating a truly participatory community planning process. The high levels of enthusiasm and activity you have mobilized are the obvious fruits of your commitment to participatory process.

West Virginia

- Commendation on consolidated states plan.
- I think the intergenerational aspect of your child care program is creative and offers a valuable example to other states. Given the changing demographics and economics facing families today, it is an increasingly sensible option.
- By increasing the participation of mothers receiving AFDC, you are taking positive steps to help break the cycle of poverty.

Indiana

- Commendation on consolidated states plan.
- Your efforts to establish priorities for services to be offered and families to be served takes on an important challenge that has received too little attention elsewhere. Whether we like it or not, such choices must be made. And they are made best with the kind of community participation you have encouraged.
- I am encouraged to learn of your successful work in immunization. The President remains deeply committed to redressing our failure as a nation provide this basic service to all of our children.

Michigan

- The Emergency Needs Fund is the kind of cooperation that makes residents feel that their community is a caring place to live. And that feeling starts a virtuous cycle in which those who receive assistance in time of need are ready to help others when circumstances change. Kudos to all those involved.
- I am especially interested to learn that you are undertaking an extensive evaluation of the initiative to learn from experience and build lessons into future activities. Program are never perfect from the outset and also must adapt to changing conditions. The commitment you have shown to constant learning bodes well for continued success.

Illinois

- The Local Governing Board seems to be a viable way of institutionalizing the creative and energetic efforts that have launched the work at Delacey.
- Your emphasis on creating family conditions supportive of children's development is on target. All of our statistics demonstrate that a positive educational experience is the best insurance of a productive life. To give children the best start possible is indeed a valuable contribution.

Cabinet Affairs
Information

THE WHITE HOUSE
WASHINGTON

December 6, 1994

A NOTE TO CAROL RASCO

FROM: MICKEY LEVITAN
GAYNOR McCOWN

SUBJECT: INFORMATION FOR NGA HEARING

The agencies have submitted the attached information regarding the different states that will be present at tomorrow's hearing. This data - from HHS and Agriculture - reflects current activity for waivers and other pertinent issues related to children and families.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington, D.C. 20201

DEC 7 1994

TO: Jennifer O'Connor
FROM: Kevin Thurm *Jim Hargis*
SUBJECT: Hearing Panel for the Governor's Campaign for Children

Illinois

No items reported

Indiana

- **Welfare Reform.** In June, Indiana submitted a request for waivers to implement the "Manpower, Placement and Comprehensive Training Program." Major components of the proposal include time-limited AFDC benefits and a family cap. The program also would extend grant diversion to up to 24 months and allow its use for child care and training and development projects; eliminate the 100-hours of work rule for AFDC-UP (Unemployed Parent); require children to attend school and be immunized; extend transitional child care to 18 months; provide only one-time JOBS exemption for care of child under three; and require minors to live with a responsible adult. ACF has held prolonged conversations with the state due to vagueness of the application, but expects to recommend a final decision soon.

Michigan

- **To Strengthen Michigan Families.** Secretary Shalala approved Michigan's request for welfare waivers on October 6, 1994. The state's plan will remove certain AFDC and Food Stamp Program restrictions on self-employment business income and assets; exclude one vehicle of any value; require immunization of AFDC children; allow federal funding for visitation and custody services provided by the child support enforcement agency; and change the sanction for failing to comply with the JOBS and Child Support Enforcement programs to 25% of AFDC and Food Stamp benefits.

Though officially a welfare waiver request, the proposal also included several Medicaid issues, which were separated from the approved package and still are

under consideration. These issues include assisting families who are leaving Medicaid in the purchase of health insurance through a managed care plan; assisting non-custodial parents in the purchase of health insurance through a managed care plan for their children; and providing family planning services for individuals with incomes below 185 percent of the federal poverty level. HCFA staff are discussing concerns with the state working with the state to create a viable project.



- **Welfare Waiver Lawsuit.** HHS is involved in a pending law suit (Castillo v. Miller), concerning a waiver the Department granted in connection with Michigan's ongoing welfare reform demonstration. The Department allowed the state's interpretation that by eliminating the 100 hour rule for unemployed parents (which limits a parent to 100 hours of work to remain eligible for AFDC), the size of the family unit for certain families changed. This in turn resulted in these families becoming ineligible for AFDC. In a decision filed November 11, 1994, the court dismissed all of the claims against the Department and the state. The plaintiffs complaint in this case did not include a claim that the Department's granting of the waiver was unlawful because it was arbitrary or capricious. The court's decision gives the plaintiffs 30 days to file an amended supplemental complaint on those grounds, if they choose to do so.

Minnesota

- **Welfare Reform.** State officials have indicated that they will submit an application for welfare waivers that would, among other proposals, divert AFDC applicants to work positions, providing support services; provide monthly federal and state tax credits; require minor parents to live with a guardian; and eliminate 100-hour rule for AFDC-UP.

Missouri

- **Welfare Reform.** In August, Missouri submitted the first phase of a welfare reform waiver application to implement the Missouri Families Mutual Responsibility Plan. The statewide demonstration would require a minor parent to reside in the home of a parent or in another adult-supervised setting as a condition for receiving AFDC. Furthermore, the plan would disregard the income of the parents of minor parents if under the federal poverty line, as well as the income of minor parents while they remain in school. Under the proposal, two-parent families under age 21 would be able to work more than 100 hours and continue to receive AFDC, and all AFDC families could own one vehicle regardless of its value and exclude up to \$1500 of the equity value of a second vehicle in the household. The state also proposed to eliminate the good cause

provision which allows minor mothers not to live at home under certain circumstances. ACF has informed the state that this provision cannot be waived, and has agreed with the state to review the entire proposal when the second phase is submitted in December.

West Virginia

- **Consolidated Services.** The HHS Regional Office has been holding discussions with West Virginia since April to help the state create a plan to consolidate the delivery of nearly 200 federal programs for children, youth, and families, now administered separately on the state level. In May, the state presented a concept paper to the White House, outlining its general philosophy for the plan. On October 21, Governor Caperton wrote to the President submitting the first specific proposals. The state hopes to use federal administrative dollars to create a "Children's Planning Fund" to establish contracts with certified community-based organizations that will work with the state to design family-focused service delivery systems, tailored to the unique characteristics of their community. Staff from the State of West Virginia will meet with Ralph Douglas (ACF Regional Administrator) on December 9. The Department has offered positive support for the state's proposals, and likely will develop a committee to work further with the region and West Virginia on this issue.

Wisconsin

- **Two-Tier AFDC Benefit Demonstration.** HHS approved this waiver on July 27, 1992, allowing Wisconsin to limit benefits to the level of the former state of residence for families who recently had moved to the state. On September 13, 1994, Legal Services of Wisconsin filed a suit in the U.S. District Court challenging the durational residency requirements of this project. HHS previously had informed the state that as a result of a recent California court decision (Green v. Anderson), in which a similar provision was found unconstitutional, the Department would not defend any challenges to Wisconsin's project based on its constitutionality. Reaction from the state was largely negative. The Governor held a press conference, and the Department received a letter from the entire delegation of Republican state legislators, expressing their displeasure with the Department's decision.
- **AFDC Benefit Cap (ABC) Demonstration Project.** HHS approved waivers on June 24, 1994, for Wisconsin to conduct this welfare reform demonstration, the major provision of which is a family cap. Additionally, the demonstration includes a variety of techniques to increase awareness and availability of family planning resources among AFDC applicants and recipients.

Vermont

- **Gubernatorial Disapproval of Head Start Award.** In September Governor Dean disapproved refunding of the Champlain Valley Office of Economic Opportunity Head Start program in Burlington. The Head Start Act requires that Governor's have an opportunity to approve or disapprove Head Start grants to local agencies each year. However, if a Governor disapproves a grant, HHS may override that decision. It had been many years since any Governor had disapproved an award.

Governor Dean's reasons for the disapproval were related to the manner in which the agency is operating the program and the agency's philosophy, and did not focus on the quality of services being delivered by the program, which all parties believe to be satisfactory. The Department is working to resolve the Governor's concerns with the goal of maintaining the program. There are on-going discussions with the Governor, involving both the Secretary's office and the regional HHS office, and hopefully, the issue will be resolved shortly. In the meantime, the Head Start program continues to operate normally.

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ILLINOIS

FCS Issues in Illinois - An Implementation Advance Planning Document (IAPD) for food stamps, AFDC, and several State benefit programs was approved in January, 1994. FCS has approved Illinois' EBT Implementation RFP.

The Chicago Department of Health was the host for the 11th annual National Association of WIC Directors' meeting (April 10-13). During this meeting, Illinois was one of a few states to receive an award from FCS for the establishment of WIC Food Centers. These centers address the problems of a lack of safe and economically -priced stores by providing WIC clients with a clean and secure environment for redeeming the WIC vouchers.

Illinois has also established model Food and Nutrition Education Centers for Chicago WIC clients. These centers provide a mock grocery, a demonstration kitchen, a mothers' room, and a set of computer-assisted instruction programs. This gives a full opportunity for nutrition education for clients.

The Chicago School Board's School Food Service Director, Mr. Jack Costello, contacted USDA's Regional Office in Chicago regarding BST milk earlier this year. The schools had been contacted by parents regarding whether the milk was free from BST. The Board is considering bidding for milk free of BST. However, FDA has declared that BST milk is safe and USDA is in accord with this position.

FCS Statistics in Illinois - The total cost of FCS food assistance in Illinois during the FY 1993, was \$1,512 billion. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamp	\$1,108	1,179 (monthly average, individuals)
School Lunch	\$188	866 (school day average)
WIC	\$109	39 (monthly average, individuals)

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INDIANA

FCS Issues in Indiana - The Indianapolis Star published on April 26, 1994 an opinion article by Senator Richard Lugar (R-IN) saying that legislation to reorganize USDA is proof that Government can work. He states in the article that he intends to hold Sec. Espy to his pledge to consolidate the county office structure. He also cites USDA's previous inability to cite how many people it employed and the work performed by each office as a reason why the Department was the focus of reform efforts.

On Electronic Benefits Transfer (EBT), the Indiana legislature has twice rejected pilot programs to test EBT in the Food Stamp Program. In mid-March, the legislature voted down the latest pilot. The failure to approve EBT was due to concern about the cost neutrality requirements in the Food Stamp Program (EBT can cost no more than current systems), and the concerns about Regulation E, a Federal Reserve rule that gives welfare customers the same consumer protections as other bank card holders.

Indiana began operating the WIC Farmers' Market Nutrition Program in the summer of 1994.

FCS Statistics for Indiana - The total cost of FCS food assistance in Indiana during FY 1993 was \$610 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$430.7	496 (monthly average, individuals)
School Lunch	\$84.6	554 (school day average)
WIC	\$59.3	137 (monthly average, individuals)

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MICHIGAN

FCS Issues in Michigan - The FY 1995 USDA budget reduces the appropriations for the Commodity Supplemental Food Program (CSFP). Detroit is the site of one of the largest and earliest CSFP programs. The Michigan Congressional Delegation staunchly supports CSFP and attempted to restore and increase the CSFP funds.

Under Secretary Ellen Haas and Rep. Dale Kildee co-chaired one of the national hearings on USDA's School Meals Initiatives in Flint, Michigan, on November 12, 1993.

The Detroit Free Press, beginning on February 21, 1994, published a series of articles on fraud in the Food Stamp Program.

Michigan is still in the planning phase of its EBT plan.

Michigan resumed operating the WIC Farmers' Market Program and was awarded \$173 thousand for FY 1994. The State had dropped out in 1993 due to the lack of matching funds.

FCS Statistics for Michigan - The total cost of FCS food assistance in Michigan during FY 1993 was \$1.03 billion. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$837	1,022 (monthly average, individuals)
School Lunch	\$105	747 (school day average)
WIC	\$91	188 (monthly average, individuals)

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MINNESOTA

FCS Issues in Minnesota - "Minnesota Lunchpower" Initiative provides a software program to schools to conduct nutrient analysis of school meals in an effort to implement the Dietary Guidelines for Americans.

In an effort to cut paperwork, St. Paul schools are using a debit card system for students to use when participating in school meals programs.

Minnesota Family Investment Plan (MFIP), which began operations in April and will run through March 1999, will consolidate AFDC, General Assistance and the Food Stamp Program. MFIP will operate in seven counties with one set of rules. Benefits are to be issued in the form of a cash grant.

In mid-March there was a serious outbreak of bacterial food illness at the Fred Moore Middle School in Anoka, Minnesota, among 400 students and several teachers. An investigation by the State Health Department determined the cause to be some employees not washing their hands after using the bathroom.

EBT has been operating in Ramsay County (St. Paul) and will soon expand into Hennipin County (Minneapolis). Such an expansion would encompass nearly 50% of Minnesota's food stamp caseload.

Minnesota began operating the WIC Farmers' Market Program with a grant of \$144 thousand for FY 94.

FCS Statistics for Minnesota - The total cost of FCS food assistance in Minnesota during FY 1993 was \$443 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$254	317 (monthly average, individuals)
School Lunch	\$68	470 (school day average)
WIC	\$39	15 (monthly average, individuals)

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MISSOURI

FCS Issues in Missouri - Missouri has been granted a waiver to permit the State to allow use of food stamp as well as AFDC benefits for wage supplementation in its cash-out demonstration, part of a 10-year welfare reform project that will operate only in the Kansas City area. Food stamp households would be targeted for self-sufficiency within 48 months and could accumulate up to \$10,000 in resources. Recipients would retain eligibility during the period of participation regardless of income changes. The demonstration will be tested in up to 20 communities for 12 years, and is scheduled to end January 2005.

Missouri WIC is a member of the southern alliance of states (SAS). Jack Radzikowski of the federal EBT task force is scheduled to meet with the Missouri EBT advisory group (including WIC) December 9 to discuss the contract process to be used by SAS. Missouri continues to work with other southern alliance states on EBT, and is working with its planning contractor to develop a request for proposal and IAPD.

The Missouri WIC system known as HANDS (developed in-house) is a multi-program shared database serving all local WIC clinics Statewide. It has opened the door to communication with other programs such as Immunization, Missouri's automated client tracking system in the Bureau of Special Health Care Needs, and prenatal care services.

Missouri was the first Mountain-Plains state to develop and implement a management evaluation special initiative, which attempts to improve all aspects of a local welfare office's operations, rather than just mandatory review elements.

Missouri Family Nutrition Program nutrition education plan is a cooperative effort between University of Missouri - Columbia Extension Service and the Missouri Department of Social Services. It focuses on five program audiences: women, divorced or unmarried men with or without custody of their children, elderly, pregnant and parenting teens, and youth. It aims to help them make better use of all their resources, including food stamp dollars, to improve nutritional well-being.

Missouri began operating the WIC Farmers' Market Program with a grant of \$13,000 for FY 94.

In March, approximately 350 persons attended the Regional USDA Hunger Forum in Kansas City, co-chaired by Deputy Assistant Secretary Shirley Watkins and U.S. Representative Alan Wheat (D-MO).

Allegations of food stamp fraud surfaced shortly after flood-emergency issuance began on July 16, 1993. Approximately 7,400 applications were filed in Kansas City through August 12, with nearly \$2.7 million in benefits issued to flood victims. A 4-day amnesty period allowed fraudulent claimants to return stamps or make restitution; during the 4 days, about \$212,000 in stamps were surrendered, according to an article in the Kansas City Star. Ongoing investigations and civil rights complaints (following termination of Jackson County employees) are not yet resolved.

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VERMONT

FCS Issues in Vermont - FCS Northeast Regional Office (NERO) and the Vermont Department of Social Welfare have established a workgroup to identify ways of improving Vermont's payment accuracy.

In 1993 an estimated 9,000 people participated in the Farmers' Market Nutrition Program.

In 1994, a study conducted by a private research organization confirmed the long-term viability of the home delivery system for providing food to WIC participants, as well as the strong support for the system from participants, advocates and the home delivery vendors.

Vermont has been selected and is operating a demonstration project to test more nutritious foods in TEFAP.

Payment Accuracy - For FY 93 the State's regressed error rate was 11.40% which rendered it liable to a sanction of \$11,000. For FY 94 (through May) the State's reported error rate is 5.06%. Since the regressed error rate is typically quite a bit higher than the reported error rate, we could reasonably expect a regressed error rate in the 7.0% range - a four percentage point reduction from 1993.

Staff from NERO's State Operations Section and Quality Control Unit met with representatives from the Vermont State agency on August 31, 1994 to discuss FCS' commitment toward working in partnership with the state agency to address the State's excessive QC payment error rate. At the meeting, the State agency agreed to form a corrective action workgroup comprised of both state agency and FCS staff. The workgroup will not only analyze QC payment errors but will also develop specific corrective action steps that should be taken to effectively reduce payment errors. A follow-up meeting between the Regional Office and the State agency is planned for November, 1994.

FCS Statistics for Vermont - The total Federal cost of FCS food assistance programs in Vermont during FY 1993 was \$61.2 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$40.3	54 (monthly average, individuals)
School Lunch	\$6.9	44 (school day average)
WIC	\$7.6	15 (monthly average, individuals)

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FNS OGAPI

008/010

WEST VIRGINIA

FCS Issues in West Virginia - The West Virginia Supplemental Food Program for Women, Infants and Children, (WIC) has submitted a state plan to request \$68,701 in federal funds to operate a Farmers' Market Nutrition Program (FMNP) in Fiscal Year 1994. This plan, which is currently under review for approval and funding, will enable the state to operate a FMNP in 12 counties, including Kanawah County (Charleston). About 4,000 pregnant, breastfeeding and postpartum WIC participants will receive \$20 in FMNP coupons to purchase fresh fruits and vegetables at authorized farmers' markets.

West Virginia plans to integrate county 4-H and boy and girl scout clubs into the FMNP and work with the Partners in Education program to gain business support for school efforts to establish gardening projects.

West Virginia's most current food stamp quality control error rate for fiscal year 1993 is 13.83 which will put the state in sanction status. Last year the state's error rate was 10.64 which was just under the national average. Prior to last year the state was sanctioned for its high error rate three years in a row and is currently reinvesting those sanction amounts in error reduction activities.

FCS Statistics in West Virginia - The total federal cost of food assistance programs in West Virginia during fiscal year 1993 was \$352 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$267	322 (monthly average, individuals)
School Lunch	\$37	182 (school day average)
WIC	\$24	43 (monthly average, individuals)

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WISCONSIN

FCS Issues in Wisconsin - Diminished dairy product use in the school meals programs was an important issue at a recent hearing before the House Agriculture Subcommittee on Department Operations and Nutrition. Wisconsin Congressman Steve Gunderson (R-WI) used the hearing on the School Meals Initiative for Healthy Children (SMI) regulations to claim that these regulations would decrease sales of dairy products and reduce income to dairy farmers. Mr. Jim Barr, Chief Executive Officer, National Milk Producers Federation, submitted testimony that the SMI regulations would decrease farm revenue by \$450-600 million annually, driving thousands of family farmers out of business. USDA estimates do not support such overblown figures, and show that the impact on the dairy industry to be minimal. SMI could be implemented in many ways by schools, and major reductions in dairy are not anticipated.

Madison, Wisconsin, is a designated Weed and Seed site. Currently, the caseload and funding for the Special Supplemental Food Program for Women, Infants, and Children (WIC) are adequate to serve any additional participants added as a result of Weed and Seed. However, no Federal money has been specifically designated in the WIC Program for Weed and Seed projects.

Milwaukee, Wisconsin, has implemented a total quality management approach to reduce errors in the Food Stamp Program. A team of county, State, and Federal staff have joined forces to increase program efficiency with the goal of lowering the error rate and receiving enhanced Federal funding.

FCS Statistics for Wisconsin - The total Federal cost of food assistance programs in Wisconsin during FY 1993 was \$403 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$248	337 (monthly average)
School Lunch	\$68.8	44 (school day average)
WIC	\$45.6	94 (monthly average)

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FCS Statistics for Missouri - The total cost of FCS food assistance in Missouri during FY 1993 was 702 million. Amounts for the three major programs were:

<u>Program</u>	<u>Federal Cost</u> (millions)	<u>Participation</u> (thousands)
Food Stamps	\$502	591 (monthly average, individuals)
School Lunch	\$87	510 (school day average)
WIC	\$54	112 (monthly average, individuals)



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

December 7, 1994

MEMORANDUM TO JENNIFER O'CONNOR
OFFICE OF CABINET AFFAIRS

FROM: Frank Holleman
Leslie Thornton

SUBJECT: Governors' Campaign for Children/Waiver Issues

Waiver Authority. This year, the Administration sought and was provided in three pieces of legislation, historic authority to grant waivers for selected programmatic rules and regulations if a State or local educational agency can demonstrate that the rules or regulations in question hinder education improvement efforts. The reauthorized Elementary and Secondary Education Act, the School-to-Work Opportunities Act, and the Goals 2000: Educate America Act all contain provisions for the Secretary to grant such waivers. The Department is currently developing procedures and guidelines to handle waiver requests, and the Secretary is presently reviewing a proposal to establish a Waiver Review Board in the Department to handle all waiver requests. The Department is also trying to work out conflicting procedures and approval criteria in the three legislative initiatives.

Education Flexibility Demonstration Program. The Goals 2000 Act authorizes the Secretary to delegate his waiver authority to a maximum of six States that have approved State education improvement plans under Goals 2000. This would further reduce paperwork and the burden associated with applying for waivers. This waiver authority applies to the same programs as the Secretary's waiver authority. We are currently completing the notice of proposed priority for this competition, and we expect to award waiver authority to three States this spring/early summer and to another three States next year.



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

December 7, 1994

MEMORANDUM TO JENNIFER O'CONNOR
OFFICE OF CABINET AFFAIRS

FROM: Frank Holleman
Leslie Thornton

SUBJECT: Governors' Campaign for Children/Indiana

MAJOR ISSUES

Civil Rights Case. The Department's Office for Civil Rights (OCR) is monitoring the Floyd County School District's compliance with a settlement agreement signed on April 7, 1994. OCR found that the New Albany-Floyd County Consolidated School Corporation did not take sufficient action to ameliorate a hostile environment created by a coach's racial slurs. At that time, the case received significant media coverage. The Department's review of this case reveals that the school district is currently complying with its settlement agreement, and the next monitoring report is due on June 30, 1995.



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

December 7, 1994

MEMORANDUM TO JENNIFER O'CONNOR
OFFICE OF CABINET AFFAIRS

FROM: Frank Holleman
Leslie Thornton

SUBJECT: Governors' Campaign for Children/Missouri

MAJOR ISSUES

Desegregation Efforts. The Kansas City School System has received significant media attention (including a story airing on "60 Minutes") criticizing the district's desegregation efforts. Last fall, U.S. District Judge Clark approved a desegregation plan for Kansas City which would promote integration by linking black and white students by computers, but his ruling does not lift the obligation of the State to establish a viable, voluntary cross-district integration plan. It is reported that during the past eight years, Kansas city's desegregation efforts have cost the state \$1 billion. In May, Missouri Attorney General Jay Nixon asked the U.S. Supreme Court whether the State must still pay for certain parts of the Kansas City desegregation effort, challenging an appeal court opinion that the State must continue its remedial education programs because the schools have not yet reversed the historic decline in academic achievement.

The Supreme Court granted the State of Missouri's petition for a writ of certiorari, agreeing to determine whether the court of appeals applied the proper legal standards in deciding that court-ordered remedial education programs should not be terminated. Yesterday, the Department of Justice filed a brief in support of the plaintiff school children (who are joined by the Kansas City Municipal School District) which argues that the State has not met its burden of demonstrating that the educational deficiencies caused by the State's constitutional violation have been eliminated to the extent practicable. The brief states that the test scores are one, but not the only, factor to be considered in determining if deficiencies caused by prior segregation have been eliminated. The Supreme Court will hear oral argument in this case on January 11, 1995.

Waiver Issue. The Missouri Coordinating Board has used Federal funding to finance a scholarship program. Auditors questioned the \$631,000 used for scholarships though it appears a State law permitted this use. Amounts expended for scholarship purposes total \$4 million. The State's Attorney General submitted an appeal to the Department requesting a waiver of the \$25,000 (civil penalty/fine) and the reimbursement of the funds under the Federal Family Education Loan Program. The Department has denied the waiver and the appeal.



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

December 7, 1994

MEMORANDUM TO JENNIFER O'CONNOR
OFFICE OF CABINET AFFAIRS

FROM: Frank Holleman
Leslie Thornton

SUBJECT: Governors' Campaign for Children/Vermont

MAJOR ISSUES

Champlain College. Last month, Champlain College basketball coach Robert M. Tipson was placed on probation by a judge for illegally diverting \$32,000 in Federal funds to his players in 1989. The Department maintained that the school and Tipson paid players with work-study funds to play basketball and to attend classes. The case was closed after the school paid a civil assessment this summer for violations covering the past seven years. The college no longer offers work-study for players and instead provides scholarships. The case has received significant local media attention.



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

December 7, 1994

MEMORANDUM TO JENNIFER O'CONNOR
OFFICE OF CABINET AFFAIRS

FROM: Frank Holleman
Leslie Thornton

SUBJECT: Governors' Campaign for Children/Wisconsin

MAJOR ISSUES

Learning Disability. Two weeks ago, the Department's Office of Special Education and Rehabilitative Services issued a letter to the Wisconsin Department of Public Instruction (WDPI) to inform them that their eligibility criteria for learning disability (LD) was not in compliance with Part B (assistance to States for the Education of Individuals with Disabilities Program) of the Individuals with Disabilities Education Act eligibility requirements and, therefore, excluded children with learning disabilities who should be receiving special education services. The State Director of Special Education feels this will set back their efforts to interact with the regular education community, and WDPI believes that any change to the LD criteria will exacerbate the situation. Wisconsin's FY 1995 allocation for students with disabilities is over \$40 million.

University of Wisconsin. The Department's Office for Civil Rights (OCR) has been monitoring the University of Wisconsin's compliance with a settlement agreement pertaining to Title IX athletics since 1990. On December 1, 1994, the region recommended that OCR initiate enforcement action against the university because it had not fully implemented the settlement agreement, and we are currently reviewing the matter. This case has received little media attention.

National Governors' Association

Policy Positions

Time-Limited Volume

July 1994



**NATIONAL
GOVERNORS'
ASSOCIATION**

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* Please also refer to permanent policy #1, "Principles for State-Federal Relations."

** The Committee on Economic Development and Commerce and the Committee on Human Resources have joint jurisdiction over this policy.

*** The Committee on Economic Development and Commerce and the Committee on Natural Resources have joint jurisdiction over this policy.

INTRODUCTION

The policy positions in this volume include policies that were adopted by the National Governors' Association at the NGA annual meeting in Boston, Massachusetts, July 16-19, 1994. They were first approved either by the standing committees or the Executive Committee, and then adopted by at least a two-thirds majority of the Governors present at the plenary session.

The association agreed at the 1994 winter meeting that the four-year sunseting procedure for policy, as noted in the NGA Rules of Procedure, should be deleted so that policy adopted prior to 1992 can begin to sunset as soon as possible (unless reaffirmed or amended), but no later than the 1995 winter meeting.

The term "state," as used in these policy positions, also refers to the commonwealths of the Northern Mariana Islands and Puerto Rico and the territories of American Samoa, Guam, and the Virgin Islands.

Raymond C. Scheppach
Executive Director

The Governors are prepared to work actively to provide the information needed to develop a strong sense of public will to make the tough choices needed to preserve the future well-being of the nation.

- * Please also refer to permanent policy #1, "Principles for State-Federal Relations," located at the front of this volume.

Time limited (effective February 1993-February 1995).

Adopted February 1993.

EC-3. IMMEDIATE ASSISTANCE TO THE MEDICAID PROGRAM

3.1 Preamble

Rapidly rising Medicaid costs are breaking states' budgets. Without changes in federal law and regulation to allow cost containment in some Medicaid programs, increased flexibility in financing and implementing programs, and financial assistance from the federal government, many states cannot afford to stay in compliance with federal laws and millions of people stand to lose important services.

Governors know that, once adopted and implemented, national health reform may change or replace the current Medicaid program. However, until health reforms are in place, states must have cooperation and assistance from the federal government.

3.2 Recommendations

Through the National Governors' Association, Governors sent the President a list of recommendations for changes in federal laws and policies to improve access and contain costs in the Medicaid program. From that rather lengthy list, the Governors recommend several priorities for immediate action by the President, Congress, and the Department of Health and Human Services (HHS). Action on the following priorities can have a positive impact on state Medicaid budgets and accomplish overall cost containment without limiting access to care or reducing the quality of services.

- 3.2.1 Impose No Caps for Federal Spending on Medicaid Entitlements Until Another Health Financing System Is in Place.** Federal caps on medical entitlements will not cut health care costs or reduce people's need for health services. Such caps will shift costs to state and local governments that they simply cannot afford. Capping federal Medicaid entitlements will result in a loss of services for millions of people and will shift additional costs to people with private insurance.

- 3.2.2 Give Greater Leeway in Containing the Cost of Health Services and Long-Term Care Through Issuing Rules for the Boren Amendment.** The Boren Amendment was intended originally to allow states to contain costs for hospital and nursing home services. Because no rules were issued to guide states in implementing the law, hospitals and nursing homes sued states, and courts have interpreted the law in a manner that drives up health care costs significantly. HHS needs to issue rules for the Boren Amendment as soon as possible. In addition, legislative revisions need to be reviewed and strongly considered.

- 3.2.3 Allow States to Manage Costs in the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Program By Providing Services Within Their State Medicaid Plan and Selecting Less Costly Alternatives for Diagnosis and Treatment Without Risking Quality.** Under current policy, states have no ability to limit the range or cost of services required in the EPSDT program. This open-ended requirement is driving up the cost of the Medicaid budget at uncontrollable rates. HHS needs to issue rules that allow states to efficiently manage case costs and utilize the least expensive alternatives for providing services without reducing the quality of care.

3.2.4 **Provide Fairness and Flexibility in the Disproportionate Share Hospital (DSH) Program Through Rules and Laws That Will:**

- modify the interpretation of the statute to allow for growth in low-DSH states without penalizing high-DSH states;
- ease restrictions on how states raise matching funds for the Disproportionate Share Hospital Program; and
- give states flexibility to use disproportionate share funds in whatever way best fits their needs in serving Medicaid-eligible and other medically indigent people in their state.

When caps were set for spending on the Disproportionate Share Hospital Program, some states' share in the program was frozen at rates below the maximum spending level set for each state. Fairness requires that these low-DSH states be allowed to move up to the level of the cap for states without penalizing high-DSH states that already are at or near the cap.

Different revenue-raising measures are chosen by different states, and the federal government should not dictate to state governments how they raise their matching funds for the Medicaid program.

By allowing states to spend disproportionate share funds in whatever way will serve the most Medicaid-eligible and other medically indigent people in each state, the disproportionate share funds can be used to cover the unmet needs of the greatest number of people. The federal government can give states flexibility in using disproportionate share funds without increasing demands on the federal budget, and the flexibility will allow each state to make the best use of these dollars.

The Governors recognize that the administration already is proceeding on these and other issues relating to provider taxes and disproportionate share. We applaud this work.

3.2.5 **Provide Waivers to Encourage or Provide Incentives to States to Use In-Home and Community-Based Services for Elderly and Disabled People as a Means of Containing Long-Term Care Costs and Providing the Most Appropriate Services.** Medicaid laws and regulations favor institutional care by paying for services when a person is in a hospital or nursing home that would not be paid for if the person lived at home or was in a community-based program. More people can be served for less money in noninstitutional settings, and in-home and community-based services allow people to gain or maintain greater independence. HHS needs to expedite waivers that allow states to serve people outside of hospitals or nursing homes and to develop incentives for states to contain costs through increasing in-home and community services when this is in the best interest of the person served.

3.2.6 **Expedite the Waiver Process So States Can Implement Managed Care Systems, Comprehensive Demonstration Projects, and Limited Medicaid Services in School-Linked Clinics.** Delays in getting waivers from the Health Care Financing Administration (HCFA) have curtailed states' efforts to implement managed care as a means of cost containment and improved access. Waivers also have been delayed or denied for large demonstration projects attempting to set up comprehensive, integrated health care systems in states. School-linked clinics can offer improved access to health services at relatively low cost, and these clinics need to be Medicaid-approved even if they do not offer the full range of services available in Medicaid community primary care clinics. HHS needs to respond quickly to waiver requests and to favor requests that will improve access to health care and contain costs.

Time limited (effective February 1993-February 1995).

Adopted February 1993.

EC-4. INDIAN GAMING

4.1 Preamble

The implementation of the Indian Gaming Regulatory Act (IGRA) of 1988 has generated several issues of serious concern to Governors. These issues must be satisfactorily resolved, or it will be impossible to realize the objectives of the act. Although the process established by the act has yielded

some successes, it also has led to conflict and litigation that are not productive for either the states or the tribes and that tend to threaten overall state-tribal relations.

Governors support the efforts of Native Americans to create better and more prosperous lives, and they desire good relations with tribes located within their states. Governors do not seek to prevent Native Americans from pursuing any opportunity available to other citizens of their states. At present, however, some Governors find themselves in the position of being expected to negotiate Indian gaming compacts that would be in conflict with the laws of their states and beyond the requirements of IGRA.

4.2 Recommendations

To reduce conflict between states and tribes, several key issues arising from IGRA must be resolved. To this end, the nation's Governors take the following positions.

- It must be made clear that tribes can operate gaming of the same types and subject to the same restrictions that apply to all other gaming in the state. In particular, it should be clarified that a state is not obligated to negotiate a compact to allow a tribe to operate any and all forms of Class III gaming simply because a state allows one form of Class III gaming. Only those games expressly authorized by state law should be permitted.
- The meaning of "good faith" in the act should be clarified and applied to both states and tribes, and the burden of proving the allegation should rest with the party alleging that the other side is not acting in good faith. Mere inability to agree upon a compact should not indicate bad faith by either party. In particular, a state's adherence to its own laws and constitution should not be regarded as bad faith. Clarification and expansion of the "good faith" standard would result in both parties having an equal interest in satisfactorily concluding a compact, rather than putting one party at a disadvantage.
- There must be clarification of the ability of a state to bar gaming on property taken into trust subsequent to the effective date of the Indian Gaming Regulatory Act. The U.S. Department of the Interior now has acknowledged that a Governor's concurrence is required before noncontiguous land can be acquired for gaming purposes. The ability of a Governor to give partial concurrence to a tribe's proposal to take land into trust for gaming purposes, such as when a Governor is willing to authorize the playing of some types of games but not others, should be recognized. Additionally, the secretary of the interior should establish procedures to permit the views of all affected Governors to be heard when a gaming proposal has impacts across state lines.

*Time limited (effective February 1993-February 1995).
Adopted February 1993.*

EC-5. NATIONAL HEALTH REFORM AND COST CONTAINMENT

5.1 Preamble

The United States spends more on health care than any other industrialized nation even though fewer of our citizens have insured access to the health care system. Moreover, growth in the American health care industry has exceeded growth in the overall U.S. economy for almost every one of the last thirty years. As a result, health care expenditures represent an increasing share of the economy as measured by the gross domestic product (GDP). In 1980 health care was approximately 9.1 percent of GDP; in 1992 it represented 13.4 percent; and it is projected to represent about 17 percent of GDP by the turn of the century if current trends continue.

This phenomenal growth in costs has negatively affected government at every level and has seriously eroded the competitive edge of our businesses attempting to compete in a global marketplace.

Clearly the nation cannot sustain the current rate of growth in health care costs. If the system is expanded to include universal coverage without reform, the cost problems will be greatly exacerbated. While people may argue about the final target for an acceptable rate of growth in costs, the nation

must develop a health care system that over the next several years will move growth in costs toward a long-term sustainable level.

The kinds of structural changes that must occur in the health care system to control costs cannot be effective unless and until every legal resident has health insurance. Universal access to health care is both a moral imperative and an invaluable cost containment tool.

5.2 Basic Federal Framework

The Governors support a managed competitive approach to health care reform that is organized by the federal government. However, attention must be paid to ensuring that the approach will work in both rural and inner-city areas. Toward that end, the federal government should establish a national health care board that includes state and local representation. Much of the framework for implementing managed competition could be accomplished by the national board.

The basic and fundamental federal framework for a restructured health care system that both controls costs and provides access and coverage must, at a minimum, include the following.

- 5.2.1 **Universal Access.** Universal access to health care coverage should be guaranteed to every American. States should have the option of providing access to health care either through public or private programs or through an employer-mandated system similar to those pursued in Hawaii, Kentucky, and Oregon.
- 5.2.2 **A Standardized and Federally Organized Information Base for Consumers.** The database must include price and quality information for all providers of health care services in a given geographic area.
- 5.2.3 **Federally Organized National Outcomes Research.** One component of such research should focus on primary and preventive care. Among other uses, this research could be used as a basis for clinical practice models.
- 5.2.4 **Federal Minimum Standards for the Regulation of Health Insurance.** These minimum standards must be developed in consultation with states and include limitations on the variation in rates that different individuals and groups are charged; limitations on medical underwriting; and guaranteed renewability, portability, and availability of insurance products. States can exceed these minimum standards. These standards should apply to nontraditional insurance mechanisms, such as multiple employee welfare arrangements (MEWAs) and other Employee Retirement Income Security Act (ERISA) plans, and to newly formed health insurance purchasing cooperatives. Once reforms are implemented, individuals bear a personal responsibility to obtain coverage either through public or private programs. The cost of coverage would be supplemented for low-income individuals.
- 5.2.5 **State-Organized Purchasing Cooperatives.** Through purchasing cooperatives, affordable insurance products will be made available. States and the federal government must work together to ensure that states have flexibility in establishing and operating purchasing cooperatives within a national framework. Purchasing cooperatives should allow for public or private operation under state regulation.
- 5.2.6 **Tort and Liability Reform Standards.** Tort and liability standards for health care should be developed by the federal government. However, states must have the flexibility to design and regulate their own programs that meet the federal standards or further limit liability.
- 5.2.7 **A Single National Claims Form.** The federal government, in consultation with states, must develop a single claims form and support the development of electronic billing as a means to reduce administrative costs. A single electronic claims form system will simplify the administrative procedures for all health care participants, including hospitals, physicians, insurers, employers, government, and consumers.
- 5.2.8 **Core Benefits Package.** The federal government, in consultation with states, localities, businesses, and labor organizations, must develop a core benefits package comparable to those now provided by the most efficient and cost-effective health maintenance organizations. There may be some state or regional variations in the basic benefit package, but such variations must be certified by a national health care board. Individuals would be free to purchase additional insurance with after-tax dollars. This package could be adjusted as additional information from outcomes research becomes available.

5.2.9 Limitations on Tax Deductibility of Health Insurance. The federal tax code must be amended to limit the tax deduction/exemption of health insurance for both employers and employees. Employer-paid insurance above the limit would be taxable to either the employer or employee. The self-employed would be eligible to purchase fully deductible health insurance—exempt from taxation as personal income—within the federal limit and/or tied to a percentage of an income level. This limit may be tied to the local cost of a basic benefit package and set at a specific dollar amount. Additional coverage or care can be purchased with after-tax dollars.

5.2.10 Primary and Preventive Care. The federal government must greatly expand its support for primary and preventive care including, but not limited to, periodic health screenings, prenatal care, well-baby care, and childhood immunizations.

5.3 Specific Cost Containment Strategies

Even if a federal framework is established that adheres to the principles just described, a real possibility exists that the federal government will attempt cost control by capping the federal medical entitlement programs. A cap only on federal health care entitlement programs will most certainly continue to shift costs to the private sector and local governments and reduce real benefits. A more effective strategy is to control costs throughout the health care system by developing health care expenditure targets.

It is unrealistic to immediately enforce strict budget limits on health care spending since available data are not sufficient to set accurate spending ceilings. However, the national framework, developed in consultation with the states, should include cost control mechanisms that should be implemented by the states as quickly as possible. Cost containment strategies must consider all the major cost-drivers in the health care and health insurance systems. Incentives such as expedited waivers and Medicaid demonstrations also must be available to contain costs.

Goals for the growth of national health care expenditures should be established for expenditures that are publicly supported either directly or through the tax code. Health care expenditures made by individuals with after-tax dollars would not be included in the targets. The national goals should be used to estimate expenditure targets for each state.

Data systems necessary to objectively measure national and state health care expenditures must be established.

As data become available, there should be a review of the progress the federal and state governments have made toward achieving the national expenditure goals.

The federal government should issue an annual report to the states that addresses the following.

- The effectiveness of our health care expenditures toward producing and maintaining health for all of our citizens. The data should be presented in at least the following categories: populations, state-by-state, urban and rural, fee-for-service, various types of managed care, and comparative therapies.
- The status of data system improvements, including the development of data categories, sample sizes, and timeliness.
- The progress or failure of each state toward any state or per capita expenditure goals.

5.4 State and Local Management

Within the context of a managed competitive approach to health care reform that ensures universal access and controls costs, the Governors support the principle of state and local management. State and local governments will need a set of tools to manage a cost-effective health care system.

States wishing to undertake reforms that complement the federal framework described above that are aimed at significantly expanding access to health care and controlling health care costs should be encouraged to move ahead in advance of full implementation of national reforms and should be given the tools necessary to be successful. For example, Governors encourage prompt approval of the Oregon waiver request.

Assuming that there still is a public program, even if that public program is modeled after Medicaid, state and local governments will need stable financing and a uniform definition of eligibility. Beyond that, however, state and local governments must be given the flexibility and authority to fully integrate the public program into a service delivery system that reflects the national movement toward

managed care. The federal government must not impose mandates beyond the core benefits or service delivery restrictions on the public program. A streamlined and efficient public program will obviate the need for the complex and costly waiver process.

If Medicare continues to exist as a separate program, state and local governments will need the flexibility to fully integrate Medicare into their health care systems.

States must have the ability to include the current self-insured market (ERISA plans) in their state design.

States must have additional authority now precluded by federal antitrust statutes.

5.5

Additional Federal/State Issues

The federal government must participate in a discussion about how to deal with the access issues of rural areas, inner cities, and populations currently financed by federal programs, including Native Americans, veterans, and dependents of military personnel. The federal government also must participate in discussions about the provision of care to undocumented aliens.

The federal government must reaffirm the traditional role of public health programs, including epidemiology, environmental health, and disease prevention, while integrating primary and preventive care services into the core benefits package to the extent possible. Adequate federal resources and technical assistance must be provided to ensure that the public health needs of states and communities can be met.

Federal, state, and local governments must work toward agreement on a long-term care program that recognizes the need for different levels of care and support either within or outside a health care institution.

The Governors are prepared to work with other interested organizations and with the President and Congress to flesh out the details of specific proposals and then to secure formal support and enactment.

Time limited (effective February 1993-February 1995).

Adopted February 1993.

EC-6. POLITICAL SELF-DETERMINATION FOR PUERTO RICO

The people of Puerto Rico, who are natural-born citizens of the United States, enjoy the same individual liberties as all American citizens, including the right to protect and enhance their local cultural and linguistic heritage and to conduct their affairs in accordance with a local constitution compatible with the United States Constitution. Many Governors represent constituencies that include American citizens of Puerto Rican descent. Tens of thousands of Puerto Ricans have served our nation with distinction in every United States military conflict of this century, earning numerous decorations, including four posthumous medals of honor, and rising in several instances to the ranks of general and admiral. The residents of none of the fifty states, prior to their admission to the Union, sustained as many combat casualties defending United States interests as have the American citizens of Puerto Rico in World War I, World War II, Korea, and Vietnam. Athletes, scholars, artists, entrepreneurs, professionals, and laborers of Puerto Rican origin have contributed, and continue to contribute, to the spiritual and physical enrichment of the United States.

The final and permanent political status of Puerto Rico remains under discussion among the island residents, and it is essential that the American citizens of Puerto Rico decide for themselves their political status. The National Governors' Association recognizes and endorses the right of the people of Puerto Rico to political self-determination made freely by majority vote of the people of Puerto Rico, either as a state of the Union, a commonwealth, or independent status.

The National Governors' Association supports and recognizes the importance of the historic January 1989 call by the leaders of Puerto Rico's major political parties for a new referendum on Puerto Rico's political status. The National Governors' Association also supports a proposed plebiscite to allow the expression of the will of the people of Puerto Rico. The National Governors' Association urges the United States Congress to enact legislation responsive to the will of the people of Puerto Rico.

Time limited (effective February 1993-February 1995).

Adopted August 1978; revised February 1989; revised and reaffirmed February 1993 (formerly Policy A-6).

EC-7. HEALTH CARE REFORM: A CALL TO ACTION

7.1 Preamble

The nation's Governors are committed to comprehensive health reform that calls for a federal framework with significant state flexibility, and they will work with Congress and the administration to develop such a system. At the same time, however, the growing demand for affordable quality health care, coupled with the immediate budgetary pressures caused by the Medicaid program, requires immediate action. Virtually every Governor has some health reform initiative in progress. These include comprehensive state-based reform initiatives, programs that assist small businesses in securing affordable health insurance, programs that expand health care coverage to a greater number of uninsured poor, and programs that implement managed care networks for Medicaid beneficiaries. None of these state initiatives are incompatible with national reform; instead, they continue to build a strong policy foundation for reform at the federal level.

7.2 Federal Barriers to State Health Care Reform

As states have moved ahead, their success has been limited by barriers resulting from current federal statutes. The nation's Governors call upon the administration and Congress to immediately remove those federal barriers.

7.2.1 Medicaid. By far, Medicaid represents the largest health care expenditure for states. On average, only spending for elementary and secondary education constitutes a larger portion of state budgets. Governors believe that irrespective of any national health reform strategy, Medicaid costs must be brought under control. Should Congress move to limit or cap the federal contribution to Medicaid, a move the Governors adamantly oppose, the Governors believe these changes and other relief will become even more urgent. The Governors recommend the following changes that will contribute to controlling those costs.

7.2.1.1 Managed Care Waivers. There is a national trend in health care service delivery toward systems of care. These systems or networks have been shown to provide cost-efficient care while ensuring that the patient has a reliable place from which to seek primary care and to which specialty care can be directed. Although the private sector is moving aggressively toward these networks, the Medicaid program continues to require states, in virtually all cases, to apply for a waiver from fee-for-service care in order to enroll Medicaid beneficiaries in such networks. And while the Bush and Clinton administrations have taken significant steps toward simplifying the application and renewal process, states still must apply for renewals every two years. Moreover, states have been unable to sustain networks where there is a predominance of Medicaid beneficiaries because, under current law, states are permitted only one nonrenewable three-year waiver to have beneficiaries served in a health maintenance organization (HMO) where more than 75 percent of the enrollees in the HMO are Medicaid beneficiaries. This requirement should be repealed.

If the nation is serious about controlling health care costs, it is essential to give states the opportunity to establish networks in Medicaid (including fully and partially capitated systems) through the regular plan amendment process. Governors recognize the special significance of consumer protections and assurance of solvency in establishing these systems of care and support federal guidance through the regulatory process.

7.2.1.2

Comprehensive Waivers. States have begun to look seriously at comprehensive systems of health care where the artificial categorical barriers of Medicaid are removed and where they can establish statewide networks of care for Medicaid beneficiaries. Unfortunately, there are no provisions in the Social Security Act that can be used to establish such programs on an ongoing basis.

Currently, states have been developing these more comprehensive networks through the research and demonstration provisions of the Social Security Act (Section 1115a). Section 1115a, however, was designed for research purposes and has some important limitations. States must demonstrate, through the application process, that they are testing an innovation. The law requires an evaluation that, in some cases, requires control groups. Projects approved under the 1115a process are approved for a limited time period, usually three to five years at the discretion of the administration, and require special statutory changes to go beyond the demonstration period. Finally, these projects must be cost neutral over the life of the project.

Section 1115a is essential to ensure the testing of alternative health and social policies. However, the current statute falls short by requiring statutory changes if a state wants to continue its successful effort. In short, once a state has proven that its research project works, it cannot continue without congressional action. Governors support changes to the Social Security Act so that a state may apply through the executive branch of government for renewable waivers of their innovations. This waiver process should be consistent with the streamlined approaches used by the Clinton administration and states should have to reapply for these waivers no less than every five years.

7.2.1.3

Boren Amendment. The Boren Amendment to the Medicaid provisions of the Social Security Act was passed in the early 1980s to give states greater flexibility in establishing reimbursement rates for hospitals and nursing homes and to encourage health care cost containment. Instead, it has led to havoc in the administration of Medicaid programs. Court decisions have interpreted the Boren Amendment to embody a restrictive and unrealistic set of requirements in setting reimbursement rates, and have in effect given judges the power to establish reimbursement rates levels and criteria. Because of these decisions, states remain frustrated in their ability to bring some discipline to their budgets and have been thwarted in their attempts to achieve the original purpose of the amendment.

The nation's Governors believe that any coherent approach to national health reform must address the issue of the Boren Amendment. They believe that a statutory change to this amendment is an important tool necessary to bring Medicaid institutional costs under control. Therefore, the Governors urge the administration and Congress to adopt these or other changes to the Boren Amendment that will give states the relief they need.

Statutory and Regulatory Changes. The Governors agree that standards for establishing adequate reimbursement rates for hospitals, nursing facilities, and intermediate care facilities for persons with mental retardation (ICF/MRs) must be designed to promote access to care for Medicaid patients, quality of services, cost containment, and efficient service delivery. The Governors support a strategy that would replace the current cost-efficiency-based standard in the Boren Amendment with provisions that establish "safe harbor" standards where a state meeting any of these "safe harbor" provisions would satisfy the statute. Standards might include the following.

- The payment rate is equal to the Medicare-based upper payment limit.
- The payment rate is no less than the rate agreed to by the facility for comparable services paid for by another payer (e.g. payment rates for Medicaid patients would not have to be higher than rates paid by any large managed care plans or large business).
- Regarding nursing facilities, the aggregate number of participating licensed and certified nursing home beds in the state (plus resources devoted to home or community-based care for the elderly) is at least equal to a specified percentage of the population age 65 or over.
- The reimbursement rate is sufficient to cover at least 80 percent of the allowable costs of all facilities in the class in the state in the aggregate, or is sufficient to cover the allowable costs of 50 percent of all facilities in the class in the state.
- The reimbursement rate is equal to a benchmark rate plus inflation no less than the rate of inflation for the overall economy according to a general index (national or state), such as the consumer price index (CPI) or the gross domestic product (GDP-IPD). The benchmark rate would be the approved rate as of the date of enactment of the statute or the current rate

approved by the Health Care Financing Administration (HCFA). This standard is satisfied by a rate methodology currently in effect and approved by HCFA that contains a provision for inflation adjustments.

The Governors also believe that the procedural requirements in the current Boren Amendment must be streamlined. Finally, the Governors support strategies that would reduce or eliminate the costs of prolonged and costly litigation.

7.2.2 Employee Retirement Income Security Act. Although the Governors are extremely sensitive to the concerns of large multistate employers, the fact remains that one of the greatest barriers to state reform initiatives is the Employee Retirement Income Security Act (ERISA). ERISA preempts all self-insured health plans from state regulations and subjects those plans only to federal authority. As a result of judicial interpretations of ERISA, states are prohibited from:

- establishing minimum guaranteed benefits packages for all employers;
- developing standard data collection systems applicable to all state health plans;
- developing uniform administrative processes, including standardized claim forms;
- establishing all payer rate-setting systems;
- establishing a statewide employer mandate;
- imposing premium taxes on self-insured plans; and
- imposing provider taxes where the tax is interpreted as a form of discrimination on self-insured plans.

7.2.2.1 ERISA Flexibility. Governors call on the administration and Congress to modify the ERISA statute to give states the flexibility they need to move ahead on health reform. This may be done either by establishing the flexibility directly in statute or through the establishment of waiver authority. The flexibility could include a requirement that the state demonstrate broad-based support for the change, such as by passage of state legislation. States must be assured, however, that the flexibility is stable: not time limited.

7.3 A Call to Action

The nation's Governors call upon President Clinton and Congress to pass health care legislation this year that includes, at a minimum, the following.

7.3.1 Insurance Reform. The Governors support minimum federal standards that result in portability of coverage; guaranteed renewability of policies; limitations on both medical underwriting and preexisting conditions exclusions; and modified community rating that limits the variation in rates that different individuals and groups are charged.

7.3.2 State-Organized Purchasing Cooperatives. Through purchasing cooperatives, affordable insurance products will be made available. States and the federal government must work together to ensure that states have flexibility in establishing and operating these cooperatives.

7.3.3 Core Benefits and Access. In order to ensure portability of coverage, Governors believe that there must be a core benefits package that is comparable to those that are now provided by the most efficient and cost-effective health maintenance organizations. The cornerstone of this package must be primary and preventive care. All employers must make the core benefits package available to those employees who wish to purchase it. Although Governors do not agree on whether employers should be required to pay for any portion of the premium, Governors agree that coverage should be available.

7.3.4 Tax Deductibility of Health Care Premiums. Health insurance premiums should be tax deductible to the value of the core benefits package regardless of who pays the premium. Governors do not support limiting health benefits; however, policies that afford benefits above the limit should be subject to taxation. The Governors do support tax changes that would correct the inequities now suffered by self-employed individuals. These individuals would be eligible to purchase fully deductible health insurance within the federal limit.

7.3.5 Low-Income Subsidies. Low-income families and individuals will require subsidies in order to afford health care. Governors support a streamlined eligibility process for these subsidies and believe that

the subsidies must be sufficient to make this goal a reality. Governors also look forward to a system of subsidies that provides low-income families and individuals with a core benefits package that Governors believe will be a more effective method for providing care than the current Medicaid program. This program could be financed partially through revenues resulting from limits on tax deductibility.

- 7.3.6 Changes to the Current Medicaid System.** Governors strongly believe that some critical changes to the Medicaid program must be made now to improve the cost efficiency of the program. Specifically:
- States should have the ability to move their Medicaid populations into managed care settings through a plan amendment rather than through a waiver.
 - During the phase-in of the new low-income subsidy program, states must have the flexibility to establish new programs that expand eligibility to a larger indigent population. This flexibility would require additional waiver authority under Medicaid.
 - In addition, states have been unable to control the costs of reimbursement rates to institutional health care providers as a result of judicial interpretation of the Boren Amendment. States must be given legislative and regulatory relief from these interpretations in order to get better control of these costs.
- 7.3.7 Medical Malpractice and Liability Reform.** Another important step in developing a rational health care system is the modification of current medical malpractice and liability statutes. The Governors believe that minimum standards should be set by the federal government. Alternative dispute resolution is among the strategies that should be explored to reduce the amount of litigation in this area.
- 7.3.8 Relief from Antitrust Statutes.** More and more Americans are receiving their care through health delivery networks. Establishing these networks requires new approaches to cooperation among providers and businesses that heretofore have been competitors. The current antitrust statutes must be revised to accommodate this new health care environment.
- 7.3.9 Relief from the Employee Retirement Income Security Act.** ERISA must be modified to give states the flexibility they need to move ahead on state reform. At a minimum, Congress should enact ERISA waiver authority for states that meet certain criteria for health care reform.
- 7.3.10 Federally Organized Outcome and Quality Standards.** If meaningful choices are ever to be made in health care, research must be supported to develop outcomes and quality standards for use by providers and consumers alike. Also, information systems must be developed that include price and quality information for all providers and consumers of health care services in a given geographic area.
- 7.3.11 Administrative Simplifications.** The administrative complexity of the current system must be reduced. At a minimum, we must adopt a single national claims form and electronic billing.
- 7.3.12 Conclusion.** We believe that these provisions should be included in any reform strategy. As Governors, we do not vary in our support of these changes, and we urge Congress and the President to act as quickly as possible.

Time limited (effective February 1994-February 1996).

Adopted February 1994.

EC-8. HEALTH CARE FOR UNDOCUMENTED IMMIGRANTS

The Governors recognize that every individual in the United States and territories must continue to have access to emergency and other public health care services. However, since the U.S. Constitution requires that our nation's immigration policy be placed under the exclusive jurisdiction of the federal government, all costs resulting from immigration policy should be paid by the federal government. The Governors believe that under no circumstances should state, territorial, and local governments be required to share in costs resulting from federal policy decisions that would provide health care and other federal entitlements to undocumented individuals.

The Governors believe that the President and Congress should use the ongoing debate over national health care reform as an opportunity to consider what health benefits are to be provided by

the federal government directly to undocumented immigrants, and to determine a payment structure under which the federal government will pay directly for these benefits.

The Governors oppose state, territorial, and local governments being forced to subsidize federal immigration policy. Therefore, the Governors call on the President and Congress to recognize the federal government's sole responsibility in immigration policy by repealing all current federal mandates that require that state, territorial, and local funds be used to provide health care and other public services to undocumented individuals. In its place, the Governors call upon Congress and the administration to develop a direct billing system to ensure that emergency or public health care needs that are provided to undocumented immigrants be financed fully by the federal government. The provision of health care to undocumented immigrants must remain a fundamental federal responsibility, financed exclusively with federal dollars, not an unfunded mandate or a cost shift to states, territories, local governments, or health care professionals.

Time limited (effective February 1994-February 1996).

Adopted February 1994.

EC-9. MANAGED CARE AND HEALTH CARE REFORM

9.1 Preamble

As the nation moves to comprehensively reform its health care system, states are again at the forefront of change. A number of states have aggressively moved to reduce health care inflation, expand access for the working poor, and bring greater accountability to the system. Managed care has played an integral role in the efforts of many states to reform their health care systems and is an important part of national health care reform.

9.2 Any Willing Provider Legislation

So-called "any willing provider" legislation has appeared in a number of state legislatures recently and is usually framed as a patient choice issue. Such legislation may undermine state health care reform efforts and could roll back our significant state-by-state progress in this area.

Generally, the legislation requires that any health care provider who agrees to meet the terms and conditions of a health plan be allowed to participate in that plan. This type of legislation is problematic because it has the potential to undermine the efforts of managed care organizations to control costs and limit the size of networks in order to achieve maximum efficiency. The result may be decreased patient volume to managed care organizations, crippling their ability to control utilization of health care services. This type of legislation can have devastating effects on current managed care delivery systems by:

- destroying the gatekeeper concept essential to managed care, severely curtailing managed care organizations' ability to control health care costs and the quality of their provider networks;
- significantly increasing managed care organizations' administrative and claims costs;
- preventing managed care organizations from achieving significant provider discounts in exchange for patient volume;
- undercutting the administrative efficiencies of managed care;
- actually *reducing* consumer choice by limiting the patient's choice to indemnity plans; and
- impeding efforts to improve health care quality through contracting standards and information exchanges that can lead to better outcomes and higher quality care for patients.

9.3 Conclusion

"Any willing provider" laws arise from good motives—the desire to preserve existing patient-provider relations and to safeguard patients' access to care or choice of provider from arbitrary decisions by health plans to exclude or drop providers from their networks. These are legitimate goals that need to be addressed through vehicles that do not threaten the cost, quality, and access advantages that well-designed managed care delivery systems can provide.

The Governors do not support, at either the state or federal level, overly restrictive "any willing provider" laws. We remain committed to retaining the state flexibility that managed care delivery systems provide to us as we move to reform our health care system.

Time limited (effective July 1994-July 1996).

Adopted July 1994.

STATE EXPERIMENTATION UNDER NATIONAL HEALTH CARE AND WELFARE REFORM (Resolution*)

Throughout our discussions on health care and welfare reform, the Governors have emphasized the importance of flexibility and continued innovation. There is no "one-size-fits-all" solution to these issues, and states must have the flexibility to develop programs and services that will address the unique characteristics of the populations and economic conditions within our individual states.

Many of the ideas incorporated into the various health care and welfare reform proposals build on lessons learned in state reform initiatives. The Governors believe that such state experimentation will continue to be critical to national progress on these issues. States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. The Governors have long-standing policy in support of national frameworks for health care and welfare reform. In this context, the Governors feel strongly about the following principles.

- States must be able to complete their currently approved waivers.
- States must be permitted to apply for and receive additional waivers prior to and during any transition period that health care or welfare reform may include. These waivers will enable states to continue developing effective models for delivering health and welfare services.
- There must be a waiver process included in the final structure of the reformed health and welfare systems so that states can pursue research projects and experimentation that is consistent with the goals of those reformed systems.

Congress is currently considering a proposal that would violate these principles by barring certain food stamp waivers for one year. The Governors believe this provision is antithetical to recent congressional and administration proposals to increase state flexibility to reform welfare, empower recipients by increasing their personal responsibility and control, and create jobs for recipients through wage subsidies. Further, we strongly object to such a significant shift in federal policy being adopted without congressional debate or discussion and in the context of a large appropriations bill. This issue should be addressed as part of a comprehensive debate on welfare reform.

We are also very concerned about the precedent that would be set by Congress acting to preempt state demonstration initiatives that already must undergo a rigorous screening process in the executive branch in order to be approved. The Governors call on Congress to defeat this proposal and support continued state flexibility and executive branch discretion in this area.

- * Based on Policies HR-5, "A Conceptual Framework for National Welfare Reform," and EC-7, "Health Care Reform: A Call to Action."

Time limited (effective July 1994-July 1995).

Adopted July 1994.

The Governors urge the administration and Congress to honor the initial responsibilities set forth for the federal government when SSI was established.

Time limited (effective February 1994-February 1996).

Adopted August 1980; revised February 1982, March 1983, July 1984, February 1985, August 1985, February 1986, February 1987, February 1989, February 1990, February 1993, and February 1994 (formerly Policy C-6).

HR-5. A CONCEPTUAL FRAMEWORK FOR NATIONAL WELFARE REFORM

5.1 Preamble

Welfare should be a transitional program that moves people from temporary assistance to self-sufficiency. Welfare benefits should be based on a social contract that sets forth the responsibilities and obligations of both the recipient and the government. The goals of this temporary assistance program should include recognition of the essential dignity, well-being, and responsibilities of every American.

This program should be a partnership between all levels of government on behalf of the taxpayer and those who are in need of temporary assistance. The welfare program should be structured to encourage meaningful work and facilitate the move to independence. It should reward work and a reasonable amount of savings.

In addition to rewarding meaningful work, the welfare program should seek to support stable family relationships, ensure child support collection, and provide assistance to obtain the educational and job skills necessary to long-term self-sufficiency. Such assistance can only be provided effectively if education, training, and employment policies are coordinated across agencies at the federal, state, and local level.

Eligibility for other government programs, such as Supplemental Security Income and Social Security Disability Insurance, should be expanded to assist those for whom work is not an option because of age or disability. However, independence and self-sufficiency should not be excluded as appropriate goals for all Americans.

The national program should be financed to ensure full federal funding of any mandates and should not result in new costs or a shift of federal costs to states, counties, and localities. The federal government must recognize its responsibility to provide for the long-term needs of children and of persons who are physically or mentally disabled.

5.2 Temporary Cash Assistance

Assistance, in the form of cash grants,* to families with children should be available for a time-limited period during which activities that are designed to make the transition from welfare to work take place.

These activities should include education, training, and the support services necessary to help participants become self-sufficient. Receipt of assistance during this period should be conditioned upon ongoing compliance with the social contract. States should be granted broad flexibility in defining the components of the social contract, including requirements to begin work before the maximum time is exhausted. The ongoing financial needs of children must be addressed in any time-limited system. (7402)

Continued federal, state, county, and local assistance under the national program beyond the time-limited period should depend on a requirement of work or work-related activities unless no job, community service work opportunity, or community service placement is available.

States should have the flexibility to extend assistance as needed, with full federal financial participation, for a limited period beyond the federal standard on a case-by-case basis in order to ensure that recipients complete education or job training programs, complete treatment for substance abuse or other physical or mental impairments, or resolve emergency situations such as homelessness.

* Currently the Aid to Families with Dependent Children (AFDC) program

5.3 Earned Income Tax Credit

The Earned Income Tax Credit (EITC) should be expanded over time so that with food stamps, a family of four with a full-time, year-round worker will be brought to the poverty line. Administration of EITC should be simplified, outreach and education to ensure full participation should be expanded, and worker choice regarding the frequency of payment should be preserved.

5.4 Job Development

As jobs are created in the economy through various means, every effort should be made to ensure that employment is available to those making the transition from welfare to work. The private sector, the major source of new job opportunities, should be encouraged to train workers and to hire those recipients who are trained and ready to work. Incentives to employers to hire, such as targeted tax credits and wage supplementation, should be enhanced. Job development through the creation of empowerment zones and enterprise communities should make jobs available to workers in transition from welfare. Public agencies at all levels of government should lead by example and accept their obligation to employ those in transition from welfare as jobs are developed. Where appropriate, government vendors also should bring these individuals into their workforce.

5.5 Work and Community Service

All Americans should be productive members of their community. There are various ways to achieve this goal. The preferred means is through private, unsubsidized work in the business or nonprofit sectors. Other alternatives, in order of priority, include unsubsidized public sector employment, subsidized jobs, grant diversion, working off the welfare grant, and volunteering in community service work.

Community service work opportunities should be developed and managed through the existing infrastructure at the federal, state, county, and local levels. Recipients should be placed in jobs that attend to the public good, such as in school systems, public works departments, social service agencies, and health care and child care facilities. Every effort should be made to place the person in a position related to his or her educational and job training skills so it can serve as a useful stepping stone to private sector employment.

State and local governments should have the flexibility to use some portion of their funds for community service to provide short-term subsidies to ensure the transition of people into private sector employment.

5.6 Additional Support Needs

The following are additional support needs.

5.6.1 Child Care. The nation's shortage of affordable, available, and quality child care is a problem for working families with children at all income levels. It is a problem that is no less a burden for those who want to avoid welfare than for those who want to leave welfare. The federal government should formulate a child care financial support policy that applies to all Americans. In addition, the federal government should lift regulatory barriers and allow states the discretion to coordinate and combine child care assistance administratively into one program. The Dependent Care Tax Credit should be made refundable to assist low-income working families with the costs of child care. Other solutions include expansion of transitional child care for up to two years, increased support for at-risk child care, incentives and training to expand family day care, and expansion of Head Start and year-round schools. These solutions have the added benefit of providing opportunities for employment for those in transition from welfare to work.

5.6.2 Health Care. Access to quality, affordable health care for all Americans is essential to enable people to make a permanent transition from welfare to work. Assurance of health care coverage outside the welfare system can prevent entry into the system for some and enable others who leave welfare for jobs to do so without the loss of health benefits. While national health care reforms are being developed and implemented, health care should be made available to those in transition from welfare to work without regard to participation in other assistance programs at fees based on a sliding scale that reflects family income.

- 5.6.3 Transportation.** In many areas, transportation is a significant barrier to employment. Many workers are unable to travel to available jobs because they do not have reliable transportation. Raising asset limits would enable some to own cars so they could get to jobs. States, counties, and localities also should be encouraged and assisted to coordinate the use of existing transportation (e.g., school buses and vans for the transportation of the elderly and disabled).
- 5.6.4 Subsidized Housing.** For many families the cost of unsubsidized housing exceeds the amount of cash assistance they receive. Other families rely on subsidized housing, housing for which they are eligible based on their income. For these families to move from welfare to work, they need to be able to remain in subsidized housing until their earnings are high enough to enable them to pay for unsubsidized housing. Eligibility for subsidized housing should be coordinated with eligibility for other assistance programs to ensure that work is financially rewarded.
- 5.6.5 Workplace Adjustment.** This assistance must continue as an eligible program to meet the needs of people unfamiliar with the work environment. Help should be provided in learning and dealing with workplace requirements such as hours and punctuality, leave, appropriate dress, speech, relationships with coworkers and supervisors, and employment and labor rules. The objective is to enable people to make the transition from a dependent lifestyle to a self-sufficient life within a work environment.
- 5.6.6 Other Supports.** Family and individual counseling, peer support groups, mentoring, and other needed family supports should be maintained throughout the transition from welfare to work.

5.7 Program Coordination

The effective delivery of services and benefits will require better coordination and integration. Federal education, housing, health and human services, labor, and agriculture agencies should remove barriers and consolidate and standardize language, programs, and requirements. States and localities should be given greater flexibility in the use of existing programs.

5.8 Child Support Enforcement

The Governors believe that a more effective child support system is a critical component of welfare reform. Both custodial and noncustodial parents must accept primary responsibility for the support of their children.

The current child support enforcement system is not working very well. States do not have the tools or the resources to run a good system. Just 58 percent of eligible women have support orders and only half collect the full amount. This means that more than 70 percent of mothers who are entitled to child support either lack support orders or do not receive the full amount due under such orders.

States, counties, and localities have continued to make improvements in the establishment of paternity and support orders and in the collection of support. In particular, the Family Support Act of 1988 made important improvements to the child support system. However, the statistical data showing large arrearages and substantial differences in performance among states suggest that collections can be increased further with broader use of the more successful techniques. In addition, there are significant problems in the interstate enforcement of support obligations and areas where additional federal support could increase the effectiveness of state efforts.

The establishment and enforcement of support obligations are central parts of family law, an area long within the purview of state government. Similarly, many of the proposed enforcement techniques require changes in licensing, insurance regulation, and commercial law, also areas long under state purview.

The Governors urge federal action to improve child support enforcement in the following areas.

5.8.1 Improved Federal Collection Tools. These tools include the following.

- State governments need access to Internal Revenue Service (IRS) data.
- IRS collection tools should be available to states.
- Support obligations should be reported on a modified W-4 form.
- Employers should be required to report new hires to state agencies via the modified W-4 form.
- A national registry of new hires should be maintained.
- A federal registry of support orders should be established and maintained.

- A national computer database of locator information should be established and maintained.
- Federal resources should support effective child support enforcement.

5.8.2

Performance-Based Incentives for State and Local Implementation. Incentives should be available to states for the successful completion of performance outcomes. Incentive funds should be earmarked for programs that serve children.

Areas of performance might include some of the following.

- Establishing paternity. A state establishes a system to voluntarily establish paternity and achieves improvements in this area.
- Applying national child support standards. A national commission with a strong state, county, and local role should be established by Congress to develop national standards for child support orders. Incentives that encourage states to achieve national standards are recommended.

Federal legislation should require Employee Retirement Income Security Act (ERISA) plans to conform to state law and regulations regarding the availability of medical support.

In the event national guidelines are established prior to passage of universal access to health care, those guidelines would have to include provision for medical support, including reasonable limits on the additional costs that would be borne by the absent parent.

- Improving collections of child support. States, counties, and localities should receive incentive payments for reaching certain levels of collections that are agreed upon in advance. This could be accomplished through adversely affecting licenses, interdicting lump sum payments, and reporting to credit agencies.
- Timeliness of interstate collections.
- Processing times at key decision points.
- Amount or percent of support collected.
- Establishing mediation services to resolve visitation issues.

Performance outcome measures should be developed in consultation with states, counties, and localities. They should be based on actual levels of achieved performance and should be tailored to individual state conditions. At least initially, the emphasis should be on improving performance outcomes rather than on reaching an arbitrary target.

5.8.3

Data Collection and Research. Although there is strong evidence to support the effectiveness of a variety of enforcement tools, these data often are fragmented and are not designed to effectively answer questions about costs and benefits in specific circumstances or to allow for the careful evaluation of alternative approaches to a similar goal. More complete data and additional research on specific enforcement tools would both encourage action at the state level and improve decisionmaking.

The federal government should expand its data collection and research capacity and work cooperatively with states to develop priorities for future research.

5.8.4

Data Processing Systems. The existing requirements for management information systems have developed over an extended period of time. In some cases, it appears that required matches between and among systems may be duplicative. In other cases, the systems may not provide access to the full range of available information.

The federal government should, in cooperation with states, undertake a comprehensive review of the management information needs of the program and develop recommendations both for the required interfaces between state systems and federal and state databases, and for the needed interfaces among state systems.

5.8.5

Administrative Changes. It is recommended that the audit process be changed from process-oriented to outcome-oriented performance measures. The federal Office of Child Support Enforcement should conduct a study on minimum staffing standards.

5.8.6

Technical Assistance and Support. Additional technical assistance from the federal government to states, counties, and localities is needed. Technical assistance must go beyond merely telling states and localities what they should do. Effective technical assistance requires an understanding of good practice and the ability to work with states and localities to help decisionmakers understand the

What happens once results are in

benefits of such practices and to help tailor those practices to the political and administrative conditions of each state.

- 5.8.7 Improvements to Interstate Enforcement.** One-third of child support enforcement cases require interstate collection. Federal legislation should be enacted to adopt uniform interstate child support enforcement procedures to ensure that child support orders are enforced uniformly throughout the nation.
- 5.8.8 Continuing Experimentation.** The federal government should authorize and fully fund child support assurance demonstrations.
- 5.8.9 Assistance to Noncustodial Parents.** The federal government should examine eligibility for job training and other services designed to improve earning capacity, and should consider eliminating disincentives to marriage, particularly for teenage parents.
- 5.8.10 Continued Evaluation and Implementation.** The Governors support continued evaluation and implementation of the broad range of paternity establishment and child support enforcement tools now in operation across the nation.
- 5.9 Transition**

Pending the adoption of a new or reformed national welfare program, the federal government should do the following.

- Increase federal funding for the Job Opportunities and Basic Skills (JOBS) Training program, modify state matching requirements, and allow states to negotiate performance targets that reflect their economic conditions and the priorities likely to be established under a reform program. These performance targets should replace existing weekly, hourly, and annual participation requirements.
- Allow states additional flexibility in the design of cash assistance programs through modification of state plans rather than waivers. Changes should include but not be limited to:
 - eliminating the 100-hour rule and the JOBS twenty-hour rule;
 - extending eligibility to all families with children;
 - allowing the cash-out of food stamp benefits;
 - increasing the asset limit, especially regarding the permissible value of vehicles;
 - disregarding the income of step-parents in calculating income and eligibility;
 - converting welfare benefits to wages for grant diversion or other work in exchange for welfare programs;
 - expanding the earned income disregards; and
 - extending support services to families until they reach economic self-sufficiency.
- Allow various evaluation methods to be used in lieu of control groups.

5.10 Implementation of Reform

There is broad support for moving ahead expeditiously on national welfare reform. As the federal government develops a national program, states should be encouraged and permitted to pursue state-based welfare reform programs aggressively and to implement demonstrations.

States, counties, and localities that are able and willing to act quickly on the implementation of welfare reform should be encouraged to do so. Appropriate incentives, technical assistance, and programmatic support should be offered to them. For states that need a longer time to implement the new system, the federal role should be one of facilitating the transition with targeted technical assistance and support.

Efficiently managed programs require new technology and training. The federal government must maintain its level of investment in this necessary infrastructure in order to achieve welfare reform. Federal requirements regarding the process of acquisition of technology designed to support welfare reform should be simplified and expedited.

Time limited (effective August 1993-August 1995).

Adopted August 1993.

HR-6. STRATEGIC PLAN FOR WORKFORCE DEVELOPMENT*

6.1 Preamble

The Governors' "Principles to Ensure Workforce Excellence" establish a vision of a new state-federal partnership designed to create a comprehensive, flexible, and high-quality workforce development system. We believe that this vision must be implemented in a manner that recognizes an evolving and increasingly competitive world economy while being highly responsive to local social and economic conditions. This vision should include a seamless system of lifelong learning beginning in the elementary and secondary school grades and continuing through adulthood. It is particularly important that the private sector be full partners in implementing public and private strategies to achieve competitive workplaces and workers.

6.2 Recommendations

There are many actions that can be taken to accomplish this vision. The following recommendations primarily highlight the role of the federal government.

6.2.1 Systemic Reform. The federal government should:

- integrate existing federal resources (planning processes, definitions, and reporting requirements) and afford states greater flexibility and authority (waivers or grant consolidation) to streamline workforce development programs and customize those programs to be locally responsive;
- maintain the commitment to disadvantaged workers while focusing support and resources toward the development of a comprehensive workforce development system;
- launch an initiative with members from the public and private sectors to develop a national strategy that promotes high-quality, well-integrated workforce and economic development systems at the state and local levels;
- increase the ability of federal workforce development resources to be accountably coordinated with states' economic development strategies;
- provide capacity-building grants to states and help them evaluate approaches, share information, and develop sources of practical labor market information; and
- promote high-performance workplaces and seek ways to increase private sector investment in workforce development.

6.2.2 Skill Standards. The federal government should:

- create and support a national skill standards board, led by the private sector, to develop and implement a comprehensive national voluntary system of continuously updated skill standards and credentials; and
- ensure that this system is focused on the skills needed to be competitive in the current and future world economy and that it provides entry and advanced levels of certification and portable credentials.

pay requirements. This notion is antithetical to the need for government to be accountable to its taxpayers for the expenditure of public funds.

8.2 Recommendations

The Governors urge the federal government to act immediately to resolve the crisis that has a because of the misapplication of FLSA regulations to public sector employers. The Governors believe that the federal government should take the following steps.

- The Department of Labor should, without delay, abolish the "salary basis" regulation ; replace it with an alternative approach that more effectively addresses public sector employment. The department also should revise the "duties test" regulations.
- Congress should immediately pass legislation that would eliminate retroactively the liability that has thus far accrued to state and local governments as a result of FLSA regulations.

Time limited (effective August 1993-August 1995).

Adopted August 1993.

HR-9. SCHOOL-LINKED INTEGRATED CHILDREN AND YOUTH SUPPORT SERVICES

9.1 Preamble

Increasingly, American children and youth are going to school poor, hungry, abused, emotionally disturbed, and in poor health. A wide range of school-coordinated health, mental health, ; developmental services can mean the difference between success and failure in school for at-risk student populations. Many states and localities have begun to approach the problems of at-risk children and youth through the development of comprehensive integrated service programs linked to the school system. These programs are able to meet the developmental needs of children and youth by working with a coordinated group of service providers, including educators, health care providers, social service workers, law enforcement and housing officials, counselors, and parents. This will result in improved outcomes for children and youth in our schools.

9.2 Federal Role

The Governors recognize that it is in the best interest of government to help children and y th who are in need by strengthening their families and the communities in which they live. The federal government should assist states and localities in their efforts to create comprehensive delivery systems for children and youth through the systemic integration and coordination of preventive health ; social support services at or near the school site. Specifically, the federal government should:

- encourage the integration and coordination of federal programs for children and youth, including the creation of a clearinghouse on successful state and local integrated service delivery models;
- assist states and localities in their efforts to design flexible, site-appropriate waivers, streamlined eligibility for federal financial support for health and other related services, and technical and evaluation assistance; and
- establish an incentive grant program for states and localities to plan and operate integrated service delivery, including building staff capacity.

9.3 State Role

States and localities can and should provide leadership in establishing comprehensive, community-based networks that are designed to meet the developmental needs of children and youth. These systems should be outcome-driven and developed through a collaborative process involving all appropriate stakeholders. States should be encouraged to develop and maintain sustainable programs that ensure the long-term systemic reform needed for success.

Time limited (effective August 1993-August 1995).

Adopted August 1993.

HR-10. COMMUNITY SERVICE

10.1 Preamble

Community service is an ideal that embodies one of our most valued American traditions: working together to help one another. The nation's Governors applaud the renewed interest in, and enthusiasm for, community service that is sweeping the country. We believe that opportunities for community service should be available to all of our citizens at every stage of life. Developing citizenship skills and social responsibility should be a major objective of our children's education, providing our young people with an ethic of civic service that can be carried into adulthood.

As Governors, we face enormous challenges in our communities. Programs that provide opportunities for citizens to perform service are unique because they benefit both the service provider and the service recipient. Volunteers are vital resources in solving some of our most difficult problems, and the service projects are needed and are of real value to the community. However, volunteer service cannot and should not replace existing jobs or government services.

All over the country, people are working together to meet many of our pressing social and environmental challenges. School and campus-based programs, full-time service and conservation corps, and part-time community programs are fulfilling basic needs such as rehabilitating housing for the poor, mentoring students in school, and providing in-home care to the elderly. It is the states, counties, schools, colleges, universities, and community-based organizations that are building the national network of community service. However, the time has come for national leadership to fortify this grassroots effort.

10.2 Principles

The nation's Governors support a national service program that encourages a variety of meaningful service opportunities, reflecting real needs of our communities, our states, and our country. The Governors stand ready to work toward a national program that is guided by the following principles.

- Promote a strong partnership among federal, state, and local governments, as well as with the volunteer and business communities, to emphasize the importance of community-wide involvement.
- Recognize the multitude of existing federal, state, and local programs and seek to expand and enhance their capabilities.
- Encourage creativity and diversity among service programs so that citizens of all ages have the opportunity to serve through elementary and secondary school programs, part-time college campus programs, full-time compensated programs, and part-time community-based programs. Assistance to enable individuals and programs to achieve their goals should be provided.

Based on these principles, the Governors offer the following recommendations.

HR-13. HEAD START

13.1 Preamble

The Governors recognize the essential role that Head Start plays in providing comprehensive child development and support services to young children and their families with incomes at or below the poverty level. As Governors take a greater leadership role in orchestrating comprehensive services for young children, the National Governors' Association believes that much can be learned from the Head Start experience, not only in providing comprehensive services, but also in educating policymakers and the public about the need to invest in young children.

Although several states are integrating the Head Start program into larger comprehensive service initiatives for children, the Governors believe that additional steps should be taken at both the state and federal level to develop stronger ties between Head Start programs and other state and federal resources that support at-risk children and their families. The Governors applaud the efforts of the Advisory Committee on Head Start Quality and Expansion to encourage such linkages at the federal, state, and local levels.

13.2 State Role

At the state level, the Head Start community should be included in policy development and implementation of statewide comprehensive service initiatives for young children. Head Start can serve as a bridge or link for at-risk children and their families for care and services beyond Head Start. State-level barriers to providing comprehensive services should be identified and eliminated.

13.3 Federal Role

In reauthorizing the Head Start programs, Congress should ensure that the Head Start program of the 21st century is built on the concept of collaboration with other state and federal programs that provide services and resources to at-risk children and their families. The State Collaboration Grant program should be expanded and states should be allowed to assign responsibility for administering the grants to ensure the highest level of commitment to building and operating comprehensive service programs for young children and their families. The collaboration grant and all collaborative activities should be recognized as affecting the early childhood community overall and should serve as advocates for comprehensive services for young children and their families. Federal-level barriers to providing comprehensive services should be identified and eliminated. Although more than twenty states currently support collaboration projects, other mechanisms to strengthen state-level linkages and encourage state investment in early childhood programs should be developed.

Time limited (effective February 1994-February 1996).

Adopted February 1994.

HR-14. FLSA APPLICATION TO STATE PRISON INMATES

In recent years, federal courts have ruled that the protections provided to the American workforce under the Fair Labor Standards Act (FLSA) and its implementing regulations also apply to prison and jail inmates. These decisions are of great concern to the Governors.

The fiscal impact of applying FLSA to prison inmates is staggering. States would be required to pay inmates a minimum wage for typical prison work, such as laundry, custodial chores, and food service. Inmates could seek back pay and other workplace guarantees governed by FLSA, including overtime pay. The result would be millions of dollars in additional liability for states and localities already struggling with limited fiscal resources.

At the very least, the threat of liability under FLSA could force many states and localities to dramatically cut or even eliminate job training and other innovative educational programs. Prisoners would lose the opportunity to learn job skills during their incarceration and, thus, the opportunity to return to society in a productive capacity.

and seek compliance with standards that are very costly and go far beyond any constitutionally guaranteed rights.

To avoid state preemption in the area of primary state responsibility, whenever the federal government is a party to litigation to secure federal constitutional guarantees, the U.S. Department of Justice should vigorously pursue termination of the litigation, especially where prison systems are under court orders, as soon as constitutional concerns are alleviated.

The Governors support federal funding assistance for the incarceration of violent criminals. The Governors believe that any federal assistance to expand prison capacity for state offenders should be based on a demonstrated commitment by the states to expanded public safety. The Governors believe that this demonstration should not be through fulfillment of a stringent set of criminal procedures and sentencing requirements. State governments also should not be required by the federal government to pass laws that would result in more costs to the states than the benefits realized from any federal assistance in the incarceration of violent criminals. State governments have taken and are taking action against violent offenders by enacting tough measures such as elimination of "good time" credits; mandatory minimum sentences; mandatory life in prison without parole for persons convicted of a third serious or violent felony; mandatory life in prison for first-time rapists and child molesters; procedures and programs recognizing the rights of crime victims at all appropriate stages of criminal proceedings. Efforts by states, past and present, to combat violent crime, in conjunction with state prison capacity, should be considered in allocating any federal resources for prison construction.

Time limited (effective July 1994-July 1996).

Adopted July 1994.

HR-23. CITIZEN INVOLVEMENT IN CRIME PREVENTION

Citizen involvement is a key element in the fight against crime.

The U.S. attorney general, through the Office of Justice Programs, has supported the National Citizens' Crime Prevention Campaign, a coalition of citizens, law enforcement agencies, and government and private organizations designed to establish and support community crime prevention programs.

The National Governors' Association endorses this campaign and supports its focus on individual and collective action by citizens and law enforcement officials in the fight against crime.

Time limited (effective July 1994-July 1996).

Adopted February 1982; reaffirmed August 1991; revised July 1994 (formerly Policy B-8).

HR-24. MISSING AND EXPLOITED CHILDREN

24.1 Preamble

According to the Federal Bureau of Investigation, in 1993 some 780,000 children were reported missing. Of those missing, approximately 450,000 may be classified as runaways and approximately 10,000 cases remain unsolved. The number of children missing because of noncustodial parental kidnapping in 1993 was approximately 163,000.

Children who have left home either voluntarily or involuntarily are vulnerable to physical and psychological abuse. Their health, welfare, and personal safety are endangered; they are vulnerable to abuse and exploitations.

The nation's Governors believe that ensuring the safety and welfare of children should be a high priority of state government. Without a stable, safe environment for growth, children's development into productive citizens is jeopardized.

However, the problem of missing and exploited children is complex. No single strategy to address this problem will prove effective without adequate attention to the circumstances and conditions under which children leave home, to the difficulties confronted by enforcement officials in locating missing

children, and to the standing law under which people who abduct and exploit children are prosecuted and punished.

Parents and children must be alerted to the danger of child abduction and must be educated in the basic elements of protecting personal safety. Attention should be given so that such preventive and educational offerings do not irresponsibly or disproportionately induce fear. Educators, social service providers, and the medical community must be alert to interfamilial conflict and stress, which may escalate to an abusive situation that prompts a child to leave his or her home, whether voluntarily or involuntarily, and must be prepared to offer remedial assistance. Adequate intra- and interstate investigative and enforcement technologies and procedures must be in place to permit immediate response to the abduction of children and to expedite the location of missing children. Appropriate sanctions must be enacted to ensure the prosecution and punishment of people who abduct children from their legal guardians. Coordination among the agencies of the criminal justice, social services, and education systems, and among all states, is essential to ensure the safety of our children.

The National Governors' Association applauds recent steps taken by the federal government in establishing the National Center for Missing and Exploited Children and urges states to consider establishing a comprehensive program to address the problems of missing and exploited children.

Some areas to consider in developing a policy for dealing with missing and exploited children are legislation, educational programs, law enforcement procedures, and interstate cooperation.

24.2 Legislation

- Abolish arbitrary waiting periods by police agencies before police action is taken when a child is reported missing.
- Establish felony classifications in all states when a child is kidnapped, whether by a stranger or a noncustodial parent.
- Require federal inter- and intrastate criminal record checks of employees and volunteers working in or for youth-serving agencies or organizations to ascertain past convictions.
- Establish appropriate penalties for adults who harm or exploit children, particularly repeat offenders.
- Establish victim assistance programs that assist children who need counseling because of sexual exploitation or kidnapping.
- Modify court procedures to minimize trauma to children during criminal proceedings.
- Expand law enforcement training to ensure that professionals receive adequate knowledge of appropriate methods for dealing with child victims.
- Prohibit the sale of child pornography in all states.
- Establish appropriate sentencing and treatment for repeat child molesters.
- Provide adequate support shelters and services for runaway youths.

24.3 Educational Programs

- Coordinate "child safe" days in local communities to provide parents with fingerprints, dental records, or other information to assist in the location of missing children.
- Facilitate the implementation of child safety programs in elementary schools.
- Initiate a system for schools to telephone parents and guardians when a child fails to arrive at school.

24.4 Law Enforcement Procedures

- Circulate accurate descriptions of missing children to appropriate police and sheriff departments in an expeditious manner.
- Ensure that children who have been abused or exploited receive psychological treatment.

24.5 Interstate Cooperation

- Establish comprehensive networks with other states to encourage the identification of missing children.
- Cooperate in efforts between states and the federal government to identify dead children.

24.6 Sex Offenses Against Children

The Governors are particularly alarmed at the increasing rate of sexual assaults against children. Over the last decade, the rate has increased some 300 percent. Laws that facilitate public access to information about offenders, tighten parole and probation requirements on offenders, and assist local police departments in tracking offenders are imperative. In addition, states may wish to consider adopting legislation that would accomplish the following.

- Require persons convicted of a sex offense against a child to register with local police when released from prison or when placed on probation in a community setting.
- Make failure to register with the local police a crime.
- Extend the length of parole and probation to at least ten years for anyone convicted of a sex offense against a child following release from prison.
- Require treatment in a certified program as a condition of parole or probation.
- Create statewide sex offender registries that include accurate and updated lists of persons convicted of sex offenses against children.
- Create the authority to screen for prior convictions for sex offenses against children for any persons who work with or provide services to children and who are licensed or employed by states or used by state agencies.
- Ensure that all employers of persons who work with children, regardless of whether the employed persons have state licenses, have the ability to learn whether their employees have a conviction for a sex offense against a child.
- Require that the employers of convicted child sex offenders receive notification of their risks of civil liability.
- Require mandatory penalties against those convicted of a sex offense against a child.

The Governors commend the efforts made by numerous states to combat the growing number of sex offenses against children. Our children must be spared the physical and psychological pain that result from these heinous crimes.

The federal government should help facilitate the efforts of states in dealing with sex offenses against children by compiling the conviction data supplied by state registries into a comprehensive national registry.

Time limited (effective July 1994-July 1996).

Adopted February 1985; reaffirmed August 1991; revised July 1994 (formerly Policy B-10).

HR-25. FEDERALIZATION OF CRIME CONTROL

Each level of government—federal, state, and local—plays a role in fighting criminal activity. Controlling crime, particularly violent crime, will require strong and effective action and cooperation by federal, state, and local law enforcement officials.

Traditionally, state and local governments are on the front lines of crime control. Virtually all planning of criminal justice activities, as well as the prosecution and incarceration of violent criminals, occurs at the state level. The federal government has served largely in a supporting role in this effort, providing research, data, analysis, material, and human resource assistance for state and local governments.

In recent years, the federal government has created or has considered creating penalties for a wide range of crimes and activities that are typically prosecuted at the state level. The nation's Governors are concerned that some attempts to expand federal criminal law into traditional state functions would have

little effect in eliminating crime but could undermine state and local anticrime efforts. Further, the Governors are concerned that federal concurrent jurisdiction in criminal justice efforts can be used by the federal government as a means to impose undue mandates on state and local governments that work to disrupt state and local crime fighting efforts.

The nation's Governors recognize and welcome the federal government's unique capabilities and resources in the fight against crime. Ultimately, success cannot be achieved without federal assistance. Therefore, as the federal government continues to consider how it can best work to eliminate crime, the Governors urge legislators to pursue policies that recognize rather than erode the states' role as the chief planners and administrators of criminal justice programs.

Time limited (effective July 1994-July 1996).

Adopted July 1994.

HR-26. PRINCIPLES FOR REFORM OF SERVICES FOR CHILDREN, YOUTH, AND FAMILIES

26.1 Preamble

Children are America's most valuable resource. They are important to society because of their potential for the future. Children deserve to be loved and cared for, to feel secure in the present, and to be able to reach for the future. They deserve good health care, adequate nutrition, safe and affordable housing, a safe environment, and a quality education. Children need sensitivity for and awareness of their culture, belief in their self-worth, and a strong and positive sense of their responsibility to themselves and to society.

Families are the fundamental building blocks of a strong society. Parents should be children's first and primary nurturers. They provide their children with the physical and emotional necessities. Parents are also their children's first teachers. They provide moral guidance, intellectual stimulation, and continuing encouragement for learning. At times, all families may need support to carry out these functions. This support may come from extended families, friends, religious and cultural institutions, schools, businesses, community institutions, or government.

Communities are environments in which children thrive and families are supported in their efforts to nurture their children. State and local governments support communities as they seek to empower families. The federal government supports states, local governments, and communities in their efforts to enhance the well-being of children, youth, and families.

The welfare of children and youth is one of the foremost needs of society and must be protected not only by families and communities but also by governments, when appropriate. It is critical that program approaches be comprehensive, child-centered, family-focused, and community-based. The nation's Governors believe that program priorities and financing for programs for children and families should be focused on prevention of problems, early intervention, and family preservation and support activities.

26.2 Principles for Reform

The nation's Governors support the following principles for reform of services for children, youth, and families.

- Support for children and youth—whether from family, friends, religious and cultural institutions, schools, businesses, community institutions, or government—should promote physical and emotional security and health, help children reach their full potential, and help children develop and sustain caring relationships with others and participate in learning and social activities within their schools and communities.
- Communities should play a key role in creating environments where children and youth can grow and develop by building on the strengths of every family and supporting them in meeting their responsibilities.

- The private sector—businesses and private and nonprofit organizations—also should play an important role in supporting children, youth, and families through such initiatives as family leave, flexible working schedules, child care services, recreation and after-school programs, school-to-work programs, mentoring programs, and health and mental health services.
- Government's primary responsibility to children, youth, and families—at the local, state, and federal levels—should be to foster and sustain family stability and unity when appropriate. Government's efforts should focus on empowering families and communities in their work with children and youth. Each level of government should strive to eliminate perverse incentives that place the needs of children and their families in categorical boxes and discourage family unity or financial stability.
- The role of federal, state, and local governments should be to promote and support the health and safety of all children and youth, ensure accountability for public funds, and, in collaboration with the private sector, support the development of programs and services that meet the needs of families in communities.
- Government support systems for children, youth, and families should be built on new partnerships among federal, state, and local policymakers. Each new partnership should be characterized by shared visions, goals, and objectives. The relationship between federal, state, and local governments should be based on a common set of specific, positive results for which all parties are held accountable. Accountability should be measured and shared at the community, local, state, and federal levels.
- Funding priorities should support programs and services for children and youth that have demonstrated results, are cost-effective, are easily accessible, and encourage and expedite prevention and early intervention to avoid crises and the need for more costly assistance later in the process. Federal, state, and local funding strategies should be designed to promote achievement of these positive results. At the same time, government must recognize the need to support children, youth, and families in crisis.
- Federal, state, and local government strategies should recognize the importance of individual and community responsibility. They should promote the development of consolidated services through integrated noncategorical funding streams and programs that meet the multiple and interrelated needs of children, youth, and their families. These strategies should encourage flexible approaches that achieve positive results and recognize the diversity of states and localities through policies, budget processes, and strategic planning.
- The transition from the current system to a more comprehensive, integrated system must ensure efficiency and enhanced system capacity. Federal, state, and local governments, in cooperation with all public and private support systems, should assist in meeting this goal through strategies that include technical assistance, professional development, and the establishment of evaluation systems to track progress toward goals and identify areas of concern.

26.3 Federal and State Responsibilities and Roles

Federal and state programs have traditionally been based on the following principles:

- a shared federal/state role in making available to children, youth, and families a full range of health, welfare, and other services that are designed to prevent future problems, as well as to solve current crises;
- a shared federal/state role in protecting the civil rights of children and youth who are especially disadvantaged, by working to eliminate the effects of bias; and
- a state role in regulating the safety of children in the care of others.

The nation's Governors are strongly committed to:

- ensuring coordination of services and programs;
- securing, at a state's option, programmatic and regulatory responsibility for federal programs that provide services to children, youth, and families;

- developing and enacting federal policy that provides for state flexibility in the use of federal funds to develop programs that are most appropriate and are specifically targeted to the needs of children, youth, and families in that state;
- promoting federal support and encouragement for state efforts to improve, coordinate, and integrate multigovernmental programs and services, including grants and mechanisms designed to coordinate the diverse programs now serving children, youth, and families; and
- encouraging public-private partnerships to share responsibility and opportunity for services for children and families.

Time limited (July 1994-July 1996).

Adopted July 1994 (based on former Policy C-12).

HR-27. PREVENTION OF TEEN PREGNANCY

27.1 Preamble

The number of teenagers and adolescents in the United States who become parents has reached troubling proportions. Each year more than 1 million teenagers become pregnant. Each year more than 500,000 young women between the ages of ten and nineteen give birth. This country spends \$25 billion each year to support families begun by teenagers.

There is also a human cost to young mothers and their children of this epidemic. Teen mothers are more likely to bear children with low birth weights. Teen mothers are less likely to finish school, and are likely to have a lower-paying job than their counterparts who have not become parents. Children of teen parents are at greater risk of doing poorly in school. Many fathers of children born to adolescent girls are men in their twenties who assume no ongoing responsibility for their children.

27.2 Risk Factors

Certain risk factors make it more likely for a young women to become pregnant and give birth. Solutions must address these risk factors.

- Low income. Teen mothers tend to come from low-income families.
- History of abuse. Many teen mothers have a history of being physically and/or sexually abused.
- Low self-worth. Adolescents who have fewer options for their future and suffer from low self-esteem engage in more high-risk behaviors than their counterparts and are more likely to become teen parents.

27.3 Prevention as Part of the Solution

Because teen pregnancy is a complex issue, solutions must be comprehensive. Programs to reduce teen pregnancy must do more than expend funds on already-parenting teens. We must invest funds in primary prevention activities. Prevention efforts must start before young people become sexually active and programs should reach both young men and young women.

Preventive programs may build on already-established effective strategies such as using peer educators or adult and peer mentors, and reaching high-risk adolescents with a broad range of activities that decrease their free time and increase their life options, including education, community service, job training, family planning, and parenting education, as well as assisting with the development of a greater sense of personal responsibility and increased self-esteem.

The Governors request that federal policies and legislation regarding health, welfare, education, substance abuse, and violence emphasize the critical issue of teen pregnancy prevention.

Time limited (effective July 1994-July 1996).

Adopted July 1994.



December 5, 1994

M E M O R A N D U M

To: Governors' Staff
From: Linda *Judith*
Re: Briefing Books

Enclosed is the second version of the briefing books for the hearing on December 8. Please replace the ones that were sent Friday, December 2. In trying to use one on Saturday, I discovered that the pressboard covers do not work very well. I apologize for any inconvenience this may cause. This version includes several final edits to the community descriptions and the questions. It does not include the Governors' talking points, since I did not have all of them.

Governor Dean would like to meet with the members of the hearing panel at 9:15 a.m. in the New York room on the lower level of the hotel. The hearing will be in the ballroom, also on the lower level. Lunch has been arranged for the Governors and one staff member in the New York room. They will discuss their meeting at the White House scheduled for 3:30 p.m.

The community descriptions will be included in press packets and will be available at the back of the room for the general public. There are about 60 individuals coming including Congressional staff, representatives from the Administration, and children's advocates.

Please call me if you have any questions or need additional information. Thanks for your help.

NOV 28 '94 02:11PM NAT'L GOVERNORS' ASSOCIATION

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**NATIONAL
GOVERNORS'
ASSOCIATION**

Howard Dean, M.D.
Governor of Vermont
Chair

Raymond C. Scheppach
Executive Director

Tommy G. Thompson
Governor of Wisconsin
Vice Chair

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-3300



November 28, 1994

MEMORANDUM

To: Carol Rasco
From: Barry Van Lare
Re: Hearing on Children's Services
"Building Communities for Children"

Thank you for agreeing to participate on the hearing panel scheduled for December 8 at the Marriott Metro Center. We will begin at 9:30 a.m. and plan to adjourn at 3:00 p.m. You are invited to join the rest of the panel members for breakfast at 8:00 a.m.

Attached is a copy of the letter of invitation to the hearing that was sent to a selected group of individuals with a special interest in young children, Administration officials, and legislative staff members. The letter outlines our goal for the hearing and the four major questions that we will focus on. We are also developing several questions that are specific to the individual communities. I have also attached a copy of the draft agenda for the day. The agenda identifies the states from which communities have been selected. Linda McCart is preparing briefing books for each of the panel members that will include information about each community and the specific questions that we hope to discuss. The briefing book should be sent to you on Friday.

Please call me or Linda, 624-5336, if you have any questions or need additional information.

Kevin - Linda's Assistant

NOV 28 '94 02:12PM NAT'L GOVERNORS' ASSOCIATION

P.3/5

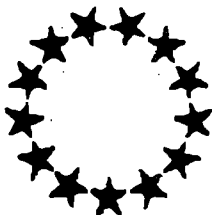
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Executive Director

Tommy G. Thompson
Governor of Wisconsin
Vice Chair

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1513
Telephone (202) 624-5300



November 10, 1994

Dear Colleague:

This letter is invite you to attend and observe the first major activity of the Governors' Campaign for Children, my Chair's initiative for 1994-1995. Our national hearing, "Building Communities for Children," is scheduled for Thursday, December 8, 1994 at the Marriott Metro Center, 775 12th Street, Northwest, (202) 737-2200, in Washington, D.C. The hearing will begin at 9:30 a.m. and adjourn at 3:00 p.m. NOA Vice Chair Governor Tommy Thompson and Human Resource Committee Chair Governor Mel Carnahan and Vice Chair Governor Arne Carlson are expected to join me in conducting this hearing. Other state and local officials who are working with us on this initiative have also been invited to participate on the hearing panel.

The purpose of the hearing is to learn from practitioners the steps that can be taken to facilitate and encourage community-based initiatives for young children and their families. Our goal is to have an interactive discussion between the hearing panel and teams from eight to ten communities that have managed to implement comprehensive services that focus on the needs of children and families rather than the needs of programs and institutions. The hearing will address four key questions:

- What was the catalyst that stimulated a major initiative that focused on young children?
- What made it work?
- What is needed to sustain the initiative and to replicate it in other areas?
- What would have made it easier to accomplish?

Due to limited meeting space, we must restrict the number of invitations to this meeting. If you plan to attend, please complete the enclosed registration form and return it by close of business on December 1, 1994, to Linda McCart at the National Governors' Association, 444 North Capitol Street, Suite 267, Washington, D.C. 20001, facsimile number (202) 624-5313. Hotel information is located on the reverse side of the registration form. Linda can be reached at (202) 624-5336 if you have any questions or need additional information.

I hope you can join us.

Sincerely,

Governor Howard Dean, M.D.

Enclosure

THE WHITE HOUSE
WASHINGTON

November 28, 1994

MEMORANDUM

TO: Carol Rasco
Robert Rubin
Sylvia Matthews
Gene Sperling
Bruce Reed
Kathi Way
Paul Weinstein
Sally Katzen

FROM: Marcia Hale

SUBJECT: White House Meeting - NGA Leadership - December 8th

On Thursday, December 8th from 3:30 - 5:00 p.m. in the Roosevelt Room, Leon Panetta, Carol Rasco, Bob Rubin, and I will host a meeting with the NGA Leadership on Welfare Reform, Health Care Reform, and the Balanced Budget Amendment Working Group to discuss the Administration's approach to these issues and to receive ideas from the Governors about their approach to issues in the next Congress.

The Governors who have been invited are:

Howard Dean (D-VT) - Chair, NGA
Tommy Thompson, (R-WI), Vice-Chair, NGA
Tom Carper (D-DE), Co-Chair, NGA Welfare Leadership Team
John Engler (R-MI), Co-Chair, NGA Welfare Leadership Team
Roy Romer (D-CO), Co-Chair, NGA Health Care Leadership Team
Carroll Campbell (R-SC), Co-Chair, NGA Health Care Leadership Team
Mel Carnahan (D-MO), NGA Working Group on Balanced Budget
William Weld (R-MA), NGA Working Group on Balanced Budget
George Voinovich (R-OH), NGA Working Group on Balanced Budget
Mike Leavitt, (R-UT), NGA Working Group on Balanced Budget

This will be the first bi-partisan meeting at the White House about a policy matter with the Governors since the recent elections. It is very important that we get together soon to develop our goals and objectives for this meeting.

Therefore, I would like to have a planning meeting on Tuesday afternoon at 6:00 p.m. in Carol Rasco's office. Please let Lawton Jordan (6-2896) in Keith Mason's office know if you are unable to attend. Thank you.

cc: Keith Mason
John Hart
Rosalyn Miller
Linda McLaughlin

1

EXECUTIVE OFFICE OF THE PRESIDENT

16-Nov-1994 04:49pm

TO: (See Below)

FROM: Richard L. Jordan III
Intergovernmental Affairs

SUBJECT: Meeting with Lead NGA Governors

\ November 16, 1994

MEMORANDUM

TO: Carol Rasco

FROM: Keith Mason

SUBJECT: Meeting with NGA Lead Governors

I have reserved the Roosevelt Room from 3:30 until 5:00 p.m. on December 8, 1994 for the meeting with the NGA Lead Governors. The following Governors are scheduled to attend this meeting: Governor John Engler (R-MI), Governor Tom Carper (D-DE), Governor Roy Romer (D-CO), Governor Thommy Thompson (R-WI), Governor Carroll Campbell (R-SC) (or his replacement), and Governor Howard Dean (D-VT).

Per my earlier conversation with you, it is my understanding that you will contact Bob Rubin to confirm his attendance at this meeting.

Governor Dean will announce that this meeting will occur when he chairs the NGA Executive committee meetings tomorrow at the New Governors Seminar in West Virginia.

Please call me with any questions.

Distribution:

TO: Carol H. Rasco
TO: Rosalyn A. Miller
TO: Kathryn J. Way

CC: Marcia L. Hale
CC: Jennifer L. Massengale

Meet The Press
Transcript

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

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TO: (See Below)

FROM: Lawrence J. Sampas
 Office of Communications

SUBJECT: NBC's Meet w/GOP Govs 11/20

The Federal News Reuter Transcript Service

NBC "MEET THE PRESS"
WITH HOST: TIM RUSSERT
JOINED BY: DAVID BRODER
 GUESTS
GOVERNOR WILLIAM WELD (R-MA)
GOVERNOR CHRISTINE TODD WHITMAN (R-NJ)
GOVERNOR PETE WILSON (R-CA)
GOVERNOR TOMMY THOMPSON (R-WI)
SUNDAY, NOVEMBER 20, 1994

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS ABC
PROGRAM TO "NBC'S MEET THE PRESS."

MR. RUSSERT: Governors, welcome all.

GOV. WILSON: Thank you, Tim.

MR. RUSSERT: The first priority of the Republicans in
Congress is a constitutional amendment to balance the budget.

Governor Thompson, good idea?

GOV. THOMPSON: Absolutely. You know, we have a great
opportunity here, because states always have to balance their
budget. We don't have the -- you know, the opportunity or the
flexibility not to balance our budget. So we have to do that
year in and year out, and we've been doing that. And it's good
for our states; it should be good for our country. And it's
going to bring back, I think, some accountability, some
responsibility to the federal government, and it's going to help
us in the states because we'll know a little bit better, you
know, what's going to happen in Washington with a balanced budget
amendment. So I'm very much in favor it.

MR. RUSSERT: Governor Weld?

GOV. WELD: Oh, I think it's a terrific idea. I think it should go along with a provision to prevent the federal government from just off-loading all the duties onto the backs of the states. Senator Hatch, who's coming in to chair the Judiciary Committee, has prepared anti-mandate language which I think would go along with the balanced budget amendment and make sure that we shrink the total size of government. And that's the name of the game.

MR. RUSSERT: Governor Wilson, no concern that a constitutional amendment -- the balanced budget would mean huge cuts in programs, money being sent back to the states, which would further compound the problems of California?

GOV. WILSON: It doesn't have to work that way, Tim. I think the governors have put it very well. We're very much enthused about the idea of a balanced budget, with the understanding that, in fact, it will not dump on the states new costs, and I don't think that it has to do that at all. I supported it when I was in the U.S. Senate, and I supported it before that. I support fervently now.

MR. RUSSERT: Governor Whitman?

GOV. WHITMAN: I'm of the same mind. I mean, as long as the provision that addresses the mandate situation is incorporated into any effort to ensure a balanced budget, I'd support it wholeheartedly. I've said I'll take the cuts as long as they relieve me of some of their requirements of particular programs that I have to deliver. If I, and I believe all the other governors feel the same way -- if we have the flexibility to design the programs to meet the needs of our constituents, we can do it, we can do it smarter, we can do it for less money. And I'm willing to take the cuts from the federal government, because that's what we're trying to do in our state, cut spending.

MR. RUSSERT: So if there are cuts in Medicare and Medicaid, in immigration and education, you'll accept all of those as long as --

GOV. WHITMAN: As long as the mandate piece is there. As long as they relieve us of the requirement that the federal government constantly puts on states that you have to deliver certain programs and you have to deliver them in certain ways, even, and that's the thing that drives up the cost so badly.

GOV. THOMPSON: During the last eight years, most of the states have had problems balancing the budget not because of declining revenues, not because of the recession, but because of mandates on Medicare and Medicaid coming from Washington.

In my own state, \$200 million is an equal -- is an easy number to reach for just mandates that we could get along without that would be able to allow us to run our governments much more successfully.

MR. BRODER: Let me pin you down a little bit about what you're actually saying here. I heard the words that as long as there's an understanding, you said, Governor Whitman, it needs to be incorporated into --

GOV. WHITMAN: I'm skeptical of the federal government.

MR. BRODER: Let me start with you, Governor Wilson.

Are you going to insist that there actually be language in the balanced budget amendment that says, "No unfunded mandates to the states"?

GOV. WILSON: Yes.

MR. BRODER: That was your position, too?

GOV. WHITMAN: Yes.

MR. BRODER: Now you were saying, I thought, something a little softer --

GOV. WELD: Well, Senator Hatch has drafted constitutional language, and I think they should both pass at the same time. I think the balanced budget amendment is good standing on its own two feet and, frankly, I would trust this incoming Republican Congress to do the right thing by mandates, but they're not always going to be there --

GOV. WILSON, GOV. WHITMAN, and GOV. THOMPSON: That's right.

GOV. WELD: -- and some future Congress we might not trust so much, so I'd like to get that anti-mandate language into the U.S. Constitution.

MR. BRODER: Governor Thompson, are you comfortable with the idea of two separate constitutional amendments?

GOV. THOMPSON: I am, and we've already set up, through the National Governors Conference, Dave, a negotiating committee, and I've put Governor Weld on it and a couple of other governors, and we're already going to start meeting with Newt Gingrich and with Orrin Hatch and Bob Dole to put in the language.

And that's the most important thing. We're all for the balanced budget, we're all for reducing the kind of mandates, and if we can get the language put into the Constitution right away, into the amendment, we're going to be very --

MR. BRODER: But you want it in the same amendment, if I hear you correctly.

GOV. THOMPSON: I really would like to have it there, if possible. That is my preference.

GOV. WELD: The danger, David, if you don't get that language in the Constitution, you could run into ratification problems in the state legislatures. You need three-quarters of the state legislatures to approve the balanced budget amendment, and they could be fearful if they didn't have anti-mandate protections.

MR. BRODER: So just so our viewers and the Republican leaders of Congress understand what you're saying, we're talking about either an enlarged balanced budget amendment with an anti-mandate provision in it, or a pair of constitutional amendments that would go through the legislatures in tandem.

GOV. WELD (?): Right, right.

MR. BRODER: Is that the idea?

GOV. THOMPSON: Our preference is to put it all in one --

GOV. WILSON (?): All at once.

(Cosstalk)

MR. RUSSERT: Governor Weld, you seem to suggest that a constitutional amendment just to balance the budget, without prohibiting mandates or the federal government passing laws without the money to pay for them, but a stripped-down amendment would confront difficulty in passing states?

GOV. WELD: I agree with Pete. I'd still be for it myself, because I think shrinking government is that important, but I think it might run into some rough sledding in the state legislatures.

GOV. WILSON: It would be much better to have it all in one, because that way the legislatures are provided the assurance that they need that they're not going to be the victims of what's been going on for years.

MR. RUSSERT: Let me go back to the whole issue of cutting programs in Washington. Governor Wilson, you balanced your budget this year with an asterisk, saying, "We should have \$3 billion more in federal aid to fight immigration."

GOV. WILSON: That is absolutely right, because it is exclusively under the Constitution a federal responsibility, which they have been defaulting upon, and sticking state taxpayers. That's what 187 is all about.

MR. RUSSERT: But if money from Washington is going to be leaner and much less, how are you going to balance your budgets?

Governor Whitman, you promised to cut taxes 30 percent over three years. You've now said it may take four years --

GOV. WHITMAN: Only because we're going to be on a two-year budget cycling in that last -- the next --

MR. RUSSERT: But one of the ways you found money to cut taxes was by borrowing a billion dollars from your pension fund --

GOV. WHITMAN: No. No, no, no. We didn't. We didn't borrow money from the pension fund. We didn't touch the pension fund. What we did is change the rate at which we pay, but we still pay in higher than the national average. But that's --

MR. RUSSERT: But I think the headlines -- "New Jersey's Miracle Budget Shifts Burden to the Future," "Mayors, Feeling the Effects of Tax Cuts, are cool to Whitman."

GOV. WELD: You can't believe everything you read.

(Crosstalk, laughter)

MR. RUSSERT: But isn't the problem here -- and let's just put it all on the table -- if the federal government cuts back --

GOV. WHITMAN: Right.

MR. RUSSERT: -- and reduces the amount of money going to the states, the states are either going to have to pick up that slack, raise taxes, or not cut taxes or shift it to lower governments --

GOV. WHITMAN: No, that's not --

MR. RUSSERT: -- and the local mayors --

GOV. WHITMAN: No, no, no, no, no. You're missing the whole option of designing the programs differently, of doing it smarter and leaner. We can do it.

You know, some of those headlines about the mayors being cool -- one of the reasons they're cool is we've said, "Look, we're going to help you. We understand that we affect the way you have to do business, how much it costs you," because the state has mandates that we're pushing down that I'm trying to get rid of right now.

But the other thing we did is said we'll come into you, if you want us to, with teams from our Department of Treasury to help you find savings. We came out with two of those reviews in the last couple of weeks, one of which found the town could save 16 percent, reduce their property tax by 16 percent, if they adopted some of the changes, and the other one seven percent. So one of the reasons they're cool is because we're finding some things that they've been doing that hasn't been exactly in the best interests of their taxpayers, and they're going to have to face up to that. We're putting some pressure there. They

can do the same thing we've been doing.

MR. RUSSERT: So the American people should think -- people in your localities and your states, that there's no pain in all of this.

GOV. WELD: No.

GOV. WHITMAN: No.

GOV. THOMPSON: No.

GOV. WILSON: No.

(Crosstalk)

GOV. WELD: The point is a lot of states have already done what the federal government has to do now. I cut 14 percent of my budget my first month in office. I cut 11 percent of the state work force my first year in office.

The federal government has to draw in, cinch in its belt, not just throw a bucket of water out the window.

GOV. WILSON: Over a four-year period, we have had to cut projected spending by fully a third. The federal government hasn't done anything like that.

GOV. WELD: Because they've always had the power to print money. That's the problem they have --

GOV. WILSON: They're going to have to learn that one of the options is that you cut spending, that you actually do what we always talk about. You set priorities and keep them.

GOV. THOMPSON: And there's another major issue here that's really overlooked and that is states like to do things in a very efficient and innovative way, and we could do so many things better than the federal government if we had the flexibility to do it. We could save money. We can deliver services better.

If we can design the program, whether it be Medicare, whether it be health care, whether it be welfare reform, all of these programs, but what we have to do is we have to comply with EPA, the Boren amendment, and so on and so forth that drive up our costs and prevent us to have the flexibility in Wisconsin or Massachusetts or California or New Jersey, and if we have the flexibility to do it, we could save the taxpayers money, deliver a better product, and be able to do it with less money from Washington.

GOV. WELD: See, this election could be a real revolution in terms of power as between the states and the

federal government. Right now, we've got to get a waiver from Uncle Sam to change one I or one T in these programs, and I think that you're going to see, in the new Congress, more of a mood to give us our head and let us run.

MR. BRODER: Well, let me follow up a little bit, because -- let's get a little reality into this. When you cut the state taxes, you also cut state aid to localities in the Commonwealth of Massachusetts. Those cities had to raise their taxes to pay -- to -- to --

GOV. WELD: By and large, they didn't.

(Crosstalk.)

GOV. WELD: By and large, the amount of money being spent for government went down. I've now got aid to cities at an all-time high. I've got aid for education at an all-time high, but I've cut out a lot of middle managers and bureaucracy, and if you think the state governments had a lot of bureaucracy in 1991 and 1987, take a look around Washington, DC.

MR. BRODER: Well now, Governor Whitman, are you going to -- people are watching this program in New Jersey.

GOV. WHITMAN: Yes.

MR. BRODER: Are you going to say that property taxes have not gone up in New Jersey in the past year?

GOV. WHITMAN: No, property taxes went up, but they went up less this year than they did in the last two years of the previous administration, when that governor had raised taxes \$2.8 billion.

MR. BRODER: And, Governor Wilson, you're going to say there's been no shifting of burdens as a result of the cutbacks that you were forced to make to balance your budget in Sacramento?

GOV. WILSON: There's been very little, and, as a matter of fact, we have sent new resources to them, and what we have offered, and they have taken us up on it, and the offer is going to be renewed, is that we're willing to do the same thing we're asking the federal government to do. We will remove state mandates, specifically that that relates to general assistance, because, in fact, there are higher priorities, and the -- those at the local level shouldn't be stuck with the same kind of mandates that we so vehemently resist from the federal government.

Governor Thompson mentioned welfare, and every one of these four states have introduced welfare reforms. We can run welfare better than the federal government. In every

case, we have had to go to the feds and ask for some kind of a waiver. You get the waiver, and then you find yourself in court with a welfare advocate contesting, in federal court, your right to go forward with this.

MR. BRODER: Governor Thompson, "mandates" have become kind of an ugly word, but mandate is what law is about. Laws mandate certain behaviors.

People who are critical of what you all are advocating here say, "We ought to have national standards for clean water, for clean air." That you ought to know that when you go to Wisconsin, that the water is as pure as it is in New Jersey, and vice versa. What's wrong with that argument?

GOV. THOMPSON: David, there's nothing wrong with that if you give us the flexibility within those broad parameters to accomplish it. We can do as good a job in designing a program -- just because one size fits all because that's what Washington believes, it doesn't mean it's the best way to develop clean water, clean air, and welfare reform. If you have to set some broad parameters, give us the flexibility within there so that Wisconsin can design a program for Wisconsin that can meet the national standards, but give us the flexibility to do that. And I'm sure that's what other governors want, as well.

GOV. WHITMAN: A perfect example of that is what was discussed in the crime bill when they started to move the crime bill forward. I'm all for putting money into prevention and early intervention. I think every governor is. But then they started to get in to say, "Well, what you have to do" -- not just put the money into those programs, but it has to be Midnight Basketball.

Now, that works in New Jersey. We happen to use that in Newark, and it works. I'm not sure that's right for Wisconsin. Certainly, Boise, Idaho -- you know, those -- there are cities where it's just not a relevant way to deal with the problem, but they still want money to put into prevention and early intervention.

MR. RUSSERT: Each of you -- each of you has had to submit a balanced budget. Give your Republican colleagues in Congress some advice here today. Three-fourths of the federal budget goes to Social Security, Medicare, and defense. Three-fourths. Can they balance the budget here in Washington without looking at the Social Security, Medicare, and defense budgets.

Governor Wilson?

GOV. WILSON: No, not without looking at them, and I think what you'll see is some effort to deal with

entitlements. Probably the first thing that they'll look at is some sort of means testing of Medicare, and that's what we've had to do at the state level.

MR. RUSSERT: Governor Weld?

GOV. WELD: I think if you take the cuts that John Kasich, the House member from Ohio and the incoming chairman of the House Budget Committee, you just enact those cuts, you can balance the budget with the tax cuts that are in Newt Gingrich's 10-point contract without going to any of those three areas that you mentioned.

MR. RUSSERT: It doesn't add up.

GOV. WELD: It does add up. It does add up.

MR. RUSSERT: Not over -- the deficit now is \$200 billion. Congressman Kasich has put forth \$40 billion in cuts, not even counting the tax cuts.

GOV. WELD: Well, he can pay for -- he's got \$176 billion in cuts over five years -- (inaudible; crosstalk) -- tax cuts --

MR. RUSSERT: Can you balance the budget of the United States without cutting, limiting the growth of, Social Security, Medicare, and defense?

GOV. WELD: I think John Kasich can.

MR. RUSSERT: Governor Thompson?

GOV. THOMPSON: I think it's possible, but you're going to have to look at it. I mean, there should be nothing that doesn't get scrutinized, and when you're trying to get a balanced budget, everybody has to do that. We have to do it at the state level, the federal government's going to have to do it.

MR. RUSSERT: Governor Whitman?

GOV. WHITMAN: I think Newt Gingrich had something very interesting the other day, which is the one thing that he would put aside for the moment is Social Security, because you take that off budget, that can pay for itself, put it aside, work with those other areas first, and then, after a period of time, when you've done all the other cutting that you can do, then you can look at that, as well, but everything's got to be on the table. It's the only way you can start to approach the problems.

GOV. WILSON: I think what you've seen for a long time now is slashing defense budgets and increasing the entitlement programs. At the state level, we've had to deal with entitlement spending. I've had to cut welfare.

We've had to freeze a COLA -- we're one of the few states that had one -- but we have had to cut the cash grant by 15 percent.

Now that, in California's case, still is a fairly generous grant, but the point is you have to do these things that are very difficult, but you have to do them, because the alternative simply doesn't work. We have to balance the budget.

In my state, we were like a family that suddenly overnight lost a third of its income. Well, you don't go on spending at the same rate. We continued spending for education because we set that as a priority, and, obviously, there are certain things that you can be relieved of doing. You mentioned immigration. Immigration is the most egregious example of unfunded federal mandates because it is exclusively a federal responsibility upon which the feds have defaulted and they've been sticking the states with the costs.

MR. RUSSERT: We're going to come back and talk a lot more about immigration right after this commercial.

(Announcements.)

MR. RUSSERT: We're back with four rising stars in the Republican Party, Governors Whitman, Wilson, Weld and Thompson.

Governor Wilson, you were talking about immigration. You're the author, father, of Proposition 187.

GOV. WILSON: Not the author. A supporter.

MR. RUSSERT: Strong supporter of.

GOV. WILSON: That's right.

MR. RUSSERT: Which says that those children of illegal immigrants should not receive a public education in California and only receive health coverage or care in emergency situations. Jack Kemp, Republican, has said he'd be opposed to that. William Bennett, Republican, said he'd be opposed to that. Newly elected Governor George Bush of Texas said, "In Texas, we will educate the sons and daughters of anybody, including illegal aliens." Are you willing to step back a little bit and say maybe 187 was a little bit too harsh?

GOV. WILSON: No. No, because what 187 is about is fairness, fairness to the people of California and Texas and a number of other states. What we have said is that federal -- the federal government has exclusive responsibility for immigration, legal and illegal, and

they have permitted massive illegal immigration. They have failed in the first duty they have, which is to secure the border against massive illegal immigration, and then stuck the states with the cost of providing services -- education, health care. We incarcerate -- one of every five inmates in the California prison system is an illegal immigrant. And the total cost to the taxpayers of my state is now approaching 10 percent of our entire state general fund budget. That is grossly unfair not only to the taxpayers, but to needy Californians, legal residents, including some of the most recently arrived legal immigrants. It is not fair to short-change the education of their children or their health care while we're providing those services to illegal immigrants.

MR. RUSSERT: So California, the state of opportunity --

GOV. WILSON: That's right.

MR. RUSSERT: -- the state -- a nation of immigrants --

GOV. WILSON: A nation of immigrants.

MR. RUSSERT: -- is going to say to six- and seven- and eight-year-old --

GOV. WILSON: Right. Legal immigrants.

MR. RUSSERT: -- going to say six-year-olds and seven-year-olds and eight-year-olds and nine-year-olds, "Get out of school; we have no place behind this desk; get out in the street"?

GOV. WILSON: What we're going to do is apply the same test that you have supported, I think, for eight years under federal law. If I'm a job applicant and I come to you as an employer, you have to demand of me under federal law that I provide you with some documentation that I am a legal resident, because if you don't do that under federal law, you're subject to heavy penalties.

MR. RUSSERT: If a teacher believes a student --

GOV. WILSON: Not a teacher.

MR. RUSSERT: If a teacher believes --

GOV. WILSON: Teachers aren't involved.

MR. RUSSERT: If a teacher believes a student is an illegal immigrant, does that teacher have an obligation to confront that student or to go to someone and say, "I believe I have an illegal immigrant in my class"?

GOV. WILSON: No, because teachers don't enroll children. What happens is that, just as when I at one time come before you as a job applicant and you say, "Let me see your documents that show that you're legally in the country," in the same way, just as when you bring a child to enroll the child in the school, not a teacher, but some administrator, who says, "I want to know whether the child has had the shots, whether the child is legally a resident of this school district," there is one more requirement.

MR. RUSSERT: So a principal would have that obligation?

GOV. WILSON: There is one more requirement, and the requirement is the same, and that is that you show as a parent you are a legal resident.

MR. RUSSERT: Governor Whitman, Governor Weld, Governor Thompson, would you want to have Prop 187 in your state or have a federalized notion of it, that the children of illegal immigrants could not be educated in New Jersey's public schools, Massachusetts or Wisconsin? Governor Whitman?

GOV. WHITMAN: Well, we certainly want to see the federal government assume its responsibility in this. We're in court. We have filed suit as well, the state of New Jersey, to ask the federal government to step up, to take its responsibility as far as illegal immigrants are concerned in the school system and the criminal justice system.

MR. RUSSERT: But what about not educating children? Are you comfortable with that?

GOV. WHITMAN: We want to see that those people for whom we're paying taxpayers' dollars to support in all our systems are, in fact, part of the taxpaying population who should get these services. We're not looking to have a proposition like that because we don't have the same kind of problem that they have.

MR. RUSSERT: Massachusetts?

GOV. WELD: The problem with your position is it's a confession of bankruptcy. You're really saying, "Oh, we can't enforce the law."

GOV. WILSON: That's not my position.

GOV. WELD: We can't enforce the law.

GOV. WILSON: Governor, it's not my position.

GOV. WELD: You're questioning Pete, and I think the basis behind your questions is, isn't 187 a bad idea? The

point is that 187 applies only to illegal immigrants.

GOV. WILSON: That's right.

GOV. WELD: What if somebody in Paris, France, says: "I've got 10 kids. I'm sick of paying for their education. I'm going to smuggle them into Wisconsin and let Governor Thompson educate them"? That doesn't make any sense, but that's the position contemplated by the federal government here.

MR. RUSSERT: So Massachusetts will adopt Prop 187?

GOV. WELD: We don't need to. I don't have a problem with illegal immigration that other states do, and that's the point. Different states should be able to handle it their own way. If Texas wants to say, "We're going to educate the children of illegal immigrants," at least that's the choice of the state. It's not being mandated on it by the federal government. The problem with mandates, and I think we were too kind to you earlier, David, on your mandate question, so often the mandates of the federal government are cockeyed. If they say pay for all benefits for people who are in your state illegally, that's cockeyed. If they say, as they did in the crime bill, "You're forbidden to make public the name of sex offenders because we want them to live anonymity so that they can kill the seven-year-old across the street," that's cockeyed.

GOV. WHITMAN: It's just like the clean air right now, what they're trying to do with us. Vermont has clean air, and yet they're being required to go to this IM-240 inspection system that's going to be very expensive, very time-consuming. They don't have a problem. They have other ways --

MR. BRODER: We haven't heard Governor Thompson on --

MR. RUSSERT: Governor Thompson --

MR. BRODER: -- this question yet.

MR. RUSSERT: -- like myself, you're part Irish.

GOV. THOMPSON: I am.

MR. RUSSERT: What would have happened --

GOV. THOMPSON: And very proud of that, too.

MR. RUSSERT: What would have happened 100 years ago if they had said to our great grandparents, "I'm sorry, you're not welcome here" or "your kids can't go to school here"?

GOV. THOMPSON: But they were legal. They came in --

GOV. WILSON: You're missing the point, Tim.

GOV. THOMPSON: See, the difference between whether it's legal or illegal -- what is so wrong about obeying the laws.

GOV. WILSON: That's exactly --

GOV. THOMPSON: We're a country and a government of laws. And that goes back to the basic framework of our Constitution. Why should the states be held up when somebody is breaking the law and you have to pay for it? It seems to me, you know, under our basic tenets of jurisprudence that we have to decide, you know, what is correct and what is different. And it seems to me that, when it's legal or illegal, that is the determination, and that's what Governor Wilson is all about, and I think that's what this whole argument's all about.

MR. BRODER: The mandate that you referred to, Governor Weld, as far as educating children is one that comes from the Supreme Court, which said it's there. Would you favor another constitutional amendment to instruct the Supreme Court that education is not an obligation on the states to provide to every child who is living in the state, that children of illegals could be denied entrance to the public schools?

GOV. WELD: Well, Prop 187 is headed right for the Supreme Court --

MR. BRODER: Yes.

GOV. WELD: -- and I think you'll see Justice Berger's dissent in the 5-4 1982 case which gave rise to that rule reversed. I would contend for that in the Supreme Court.

MR. BRODER: You would support that reversal?

GOV. WELD: Right.

MR. BRODER: And Governor Whitman?

GOV. WHITMAN: You know the problem that I hear with this argument is all "you're saying we shouldn't educate the children." It's not a question of the education nearly as much as a question of paying for it. I mean, we're willing to educate, but not the illegal aliens at our taxpayers' expense when it is the --

MR. BRODER: Who should pay for it?

GOV. WHITMAN: -- responsibility of the federal government.

GOV. WELD: Nobody should pay for it. They should --

GOV. WHITMAN: Nobody should pay. They should be made legal.

GOV. WILSON: The government in the country from which they come.

MR. BRODER: You say nobody should pay for it. You're saying --

GOV. WHITMAN: Well, first of all, they should be made legal, but it's the federal government's responsibility to handle these issues.

MR. BRODER: Okay. Governor Wilson?

GOV. WILSON: We have immigration laws. They should be enforced. That's what 187 was about. It was about fairness and about enforcing the rule of law. Now, you say, "Are these children entitled to an education?" Absolutely. And who owes it to them? Not the government in California, not even the federal government. The government in the nation from which they have come illegally.

MR. RUSSERT: Right. And who will pay, Governor, to round up all these children and ship them back to their native countries?

GOV. THOMPSON: The Immigration and Naturalization Service.

GOV. WILSON: We have -- yeah, we have an agency called INS for which people pay tax money, and in fact, what should occur is that -- I think what is going to actually happen is that there will be a lot of self-deportation. The people who are opposed to 187 say, no, what we ought to do is impose the employer sanctions. Well, if, in fact, the Clinton administration is going to do that, as they have not, but if they actually enforce the law as they should, then, if you're the father of a family of illegal immigrants and you find that you cannot work and if you find that your family is not eligible for basic services, then I think you're going to go back home.

MR. RUSSERT: I'm going to move this to welfare, David, if we can real fast.

Governor Thompson, you have been an innovator in the whole notion of welfare reform. Let's talk about the federal government's role. There is some legislation the Republicans will introduce which will say two years and off and, two, that if you are an unwed mother below the age of 20, there should be no welfare, period. Now, keeping in mind that two-thirds of all the people on welfare are, again, children, what do you recommend the federal government do in terms of federal welfare?

GOV. THOMPSON: Well, first off, we've been very successful in Wisconsin by reducing our welfare caseload by over 20 percent. That's more than the rest of the country. The reason we've done it is because we've come up with innovative solutions. And the best thing the federal government could do is to say to states like Wisconsin, New Jersey, California, Massachusetts, "Here is some money; you build up your own program." Give us -- you know, give us some standards, but allow the states to have the flexibility to set up their own program. We can do it much better than the federal government.

This one-size-fits-all that comes out of Washington is not going to work in New Jersey and Wisconsin and California and Massachusetts. I'm just saying to Newt Gingrich, please give us the opportunity to develop the welfare program.

MR. RUSSERT: While your roles have gone down 20 percent, hasn't the rate of child poverty in Wisconsin gone up nearly a third?

GOV. THOMPSON: No, it has not.

MR. RUSSERT: Every study I've read on your state states that the --

GOV. THOMPSON: It has not.

MR. RUSSERT: The level of child poverty has not gone up?

GOV. THOMPSON: It has not. It's -- in some areas, it has, but not over the whole state of Wisconsin.

MR. RUSSERT: David?

MR. BRODER: Governor Whitman, do you favor the cutoff of aid after -- to families with dependent children after a specific time?

GOV. WHITMAN: I'm with Governor Thompson. I want the federal government to give us the flexibility. I mean, you know, one of the things we have to understand is it's great to have a time period, and we should be moving toward that, to move people off welfare. It shouldn't be a lifestyle. It should be just a temporary passage. But, if we don't have the jobs out there, and that's one of the responsibilities I have to make my state more competitive to get more jobs, it's tough to say you have to get a job. There are a lot of public service jobs that could be done, and I'm not at all against telling somebody that, if they're getting dollars -- tax dollars -- from the people, that they have something to give back. And if they're not willing to go into training and if they can't find a job, we'll find something for them to do, but I want the flexibility.

We can do the same thing that they've done in Wisconsin, that they've done in Massachusetts and California. There are a lot of things. And we've already started this in New Jersey. We do provide a transitional period for people so that they don't lose all their benefits immediately. But we have to go get a waiver from the federal government to do that. It takes time, and it's expensive. That's why we need the flexibility.

MR. BRODER: So you want to end the federal welfare program, simply send the money to the states, Governor Weld, and --

GOV. WELD: Well, my advice would be everybody who's able-bodied has to go to work within 60 days or they're off the roles. Our plan in Massachusetts is to abolish the cash grant entirely, to say to everybody who's able-bodied, "You're going to work within 60 days, and if you can't find a job, we will pay the minimum wage cost for a community service job." That would completely explode welfare dependency as we now know it. That's what I'd like to do in our state. Of course, I've got a waiver request application pending in Washington with Secretary Shalala for the "exity x" months. So, yeah, I want the feds to give us the freedom to experiment, but on substance there's no reason why people shouldn't go to work right away, not after a year, not after two years. That was the major issue in my race for governor in this last election, and in Massachusetts we got 71 percent of the vote. So I think people agree with that.

MR. RUSSERT: Who takes care of the kids if the mother goes to work?

GOV. WELD: Day care is also provided. If you abolish the cash grant, you can provide day care, health care and subsidize the minimize wage in a community service job in a school, a hospital, a food pantry. There's a limitless demand for those services out there. So people get out of the house. You break the cycle. Their kids see them going to work every day like everybody else. I think it's a pro- family measure myself.

GOV. WILSON: It is very much so, and it's a very good thing. You were talking about the attitude change on the part of people who have gone back to work and how their children regard them. Very differently. There is a whole lot better relationship, because people are escaping from the dependency of welfare. And as a result, they begin to respect themselves and begin to earn the respect of their own families.

MR. RUSSERT: We have to take another quick break. We'll be right back after this message.

(Announcements.)

MR. RUSSERT: Welcome back to Meet the Press. In a moment, our political roundtable to try to figure out how Bill Clinton gets out of his current political fix. But, first, more questions for four Republicans with us this morning -- Governor Whitman of New Jersey, Wilson of California, Weld of Massachusetts, and Thompson of Wisconsin.

Governors all, there is some discussion that you have more moderate views on social issues than some of the Republicans here in Washington. There is a push for a constitutional amendment for school prayer.

Governor Whitman, how do you feel about that?

GOV. WHITMAN: I hope that the legislature, that Congress, understands that what got everyone elected this year was fiscal issues, that the people want to see less government, less taxing, less spending by government, and that's where we put our emphasis. I hope that we don't dissipate what's going to be a very -- we're going to need to keep people together because a lot of the items that they talked about -- balanced budget amendment, line-item veto, limitation of terms -- they're not going to be easy to get through. And that's where we ought to concentrate our resources.

MR. RUSSERT: Do you think a school prayer amendment is divisive and should not be enacted?

GOV. WHITMAN: I think it will be.

MR. RUSSERT: Governor Wilson?

GOV. WILSON: When I was in the U.S. Senate, I voted for Howard Baker's proposal, which was really a moment of silence, but I echo the concerns stated by Governor Whitman. I think that the new Republican Congress needs to be very disciplined and very focused on issues that really affect people very much in their daily lives. I think they need to understand what it was that brought them to power and to stay with that and to make good on this commitment that is contained in the charges in the contract.

MR. RUSSERT: Some would say nothing more important than prayer and why not have a constitutional amendment to guarantee it in schools. Governor Wilson, you'd be opposed to that?

GOV. WILSON: A constitutional amendment to provide a moment of silence for reflection? I'd have no objection to that.

MR. RUSSERT: But to mandate school prayer or provide voluntary prayer?

GOV. WILSON: I think you allow people to do what they want to do in that moment of silence.

MR. RUSSERT: Governor Weld?

GOV. WELD: I don't think a moment of silence is going to kill anybody, but I think Newt Gingrich should dance with the gal that brung him. And the gal that brung him was the tax-and-spend issue and crime and welfare. Those are the issues that all four of us campaigned on in 1994. Those are the issues that are going to dominate the 1996 presidential election. The Republican Party throughout the country is on the right side of those issues. Let's press them. Let's pass that 10-point contract.

MR. RUSSERT: How would you vote for a constitutional amendment for school prayer, Governor?

GOV. WELD: A moment of silence, fine. I'm with Governor Wilson on that.

MR. RUSSERT: But the one as proposed by Mr. Gingrich and others goes beyond that. Would you be supportive --

GOV. WELD: Mandatory prayer, no. Moment of silence, fine.

MR. RUSSERT: Governor Thompson?

GOV. THOMPSON: I'd probably vote with Gingrich.

MR. RUSSERT: David?

MR. BRODER: Three of your colleagues, Governor Thompson, here are already on record as saying that the abortion language in the last Republican Platform either ought to be dropped or substantially altered. I don't know what your position is on that question.

GOV. THOMPSON: I think the language is probably too restrictive in the basic document of the Republican Party, but I'm also very much pro-life.

MR. BRODER: So you would -- in what way would you change the language?

GOV. THOMPSON: Well, I just think it's very restrictive, and I think it's too restrictive.

GOV. WILSON: David, I will suggest that something that people who are conscientiously pro-life and consciously pro-choice I think could agree up. A plank I'd like to

see in the '96 Republican platform is one that emphasizes the need to discourage governmental policies that have encouraged illegitimacy, the kind of explosion in teen pregnancies, unwed teen pregnancies, that is one of the major, major problems facing every governor, for that matter every mayor, and facing the nation.

MR. BRODER: And what do you think the government -- the plank should say on the subject of abortion?

GOV. WILSON: I don't think it should say anything about abortion. I think that it should be left to individual conscience. And I would say that plank should come out. But I think that what should be there is a plank that says that it is the responsibility of the Republican Party to work for the kind of welfare reform, the sort of specific reforms that each of us have adopted in our states that discourage the kind of teen pregnancy that is a real tragedy, a tragedy for the children first of all, and for everybody else.

MR. BRODER: Governor Whitman, Representative Chris Smith of your state is a leader in the pro-life side of this thing. What do you think he and his friends would think if you just simply dropped the abortion plank from the Republican platform?

GOV. WHITMAN: Obviously he would oppose it, but my feeling is that that language is too divisive. It is a very personal issue. But I think there -- as Governor Wilson said, there are areas that we could put in a platform that we would all support, all of us, on this, and that is anything -- to support programs and policies that prevent unwanted pregnancy so that a woman's never in that position, that we do all that we can to support groups that support women who get pregnant outside of wedlock and choose to bring the child to term, to help them with the adoption option, or if they can't live at home during the pregnancy, to give them a place. There are organizations that help them find a place live. That's the kind of thing that I think we can come together -- those of us that are pro-choice and anti-choice can come together and really do something that's good for everyone as a whole. But the bottom line to me is the decision on choice is a very, very personal one.

MR. RUSSERT: Governor Weld, you've been an outspoken advocate of gay rights in your state. Do you think the Republican Party nationally needs to change its position at all on gay rights?

GOV. WELD: Well, I'm for anti-discrimination, David, but I agree with Governor Whitman. I think that we do not need to send exclusionary messages about people who hold one point of view or another. The fact that -- if we take, for example, the abortion plank out of the platform, it doesn't mean that we're not going to work together.

I've probably learned more from Tommy Thompson and George Voinovich and John Engler than any other three governors. All of them are pro-life, but they've taught me a great deal. George Pataki and John Rowland and Tom Ridge are coming into office now. They're pro-choice like the three of us here. We're going to work together and learn a lot from each other, but we don't need to drum anybody out of the party.

GOV. WHITMAN: Right.

MR. RUSSERT: Let's talk about the future of the Republican Party. Governor Wilson, would you like to be president some day?

GOV. WILSON: Some day?

MR. RUSSERT: Some day.

GOV. WILSON: I've got a job that I like very much, and if you mean some day, I'll worry about that at the end of this term.

MR. RUSSERT: Well, I'll be more specific. Would you accept a position on the 1996 Republican ticket?

GOV. WILSON: That's a hypothetical question that I -- the answer is I'm not looking for it. I don't expect it. I've got a job that I have always wanted, worked very hard to get. And I look forward to very different circumstances in the second term.

MR. RUSSERT: Would you --

GOV. WILSON: Maybe even one without natural disaster. (Laughter.)

MR. RUSSERT: Let me try this: Would you refuse a position on the 1996 national Republican ticket?

GOV. WILSON: I'll tell you what, Tim. You ask me when I'm offered it.

MR. RUSSERT: But you're open to it?

GOV. WILSON: No, I'm not really. I am -- I have said this repeatedly. I have wanted the job that I have and worked very hard to get it, and I intend to do it and to do it in very different circumstances than those that faced me in the first four years.

MR. RUSSERT: How much of a problem is it for you in terms of national politics that your new lieutenant governor is a Democrat, Jerry Brown's former chief of staff, who would be in charge of the state if you decided to go out and campaign for a higher office and would replace you as governor if you were elected to a higher

office? Problem?

GOV. WILSON: He doesn't have much to do, so he isn't going to be much of a problem to me. (Laughter.)

MR. RUSSERT: Governor Whitman, would you accept a position on the 1996 Republican ticket?

GOV. WHITMAN: Nobody's going to offer me one of those. I'm having too much fun doing what I'm doing. I love being governor.

MR. RUSSERT: But if they offered it, would you be open o it?

GOV. WHITMAN: I --

MR. RUSSERT: You've been candid about everything else, overnor.

GOV. WHITMAN: (Laughs.) I just have -- it's so utside the realm of possibility that I don't even waste any time thinking about it.

MR. RUSSERT: But no Shermanesque statement?

GOV. WHITMAN: No Shermanesque statement, but I'd say - I'd echo what Governor Wilson said, talk to me if they sk me.

MR. RUSSERT: Governor Weld?

GOV. WELD: Not only is my plate full, but my cup runneth over in Massachusetts. (Laughter.)

MR. RUSSERT: So you will not accept a position on the national ticket in '96?

GOV. WELD: I'd say the same thing that those two governors said. But I do plan to be active in trying to make absolutely sure that the Republican Party wins the 1996 presidential election, and as I said, I think the way to do that is by focusing on the economic issues and crime and welfare and lunch pail pocketbook issues that make a difference to people.

MR. RUSSERT: It sounds like we're three for three, Governor Thompson. Howard Baker, the senator from Tennessee -- I said to him, "I think everyone in the Senate wants to be president." He said, "We all have a white suit in our closet." (Laughter.) Governor Thompson, would you accept a position?

GOV. THOMPSON: The best thing we can do as governors is to make sure that we win in 1996.

MR. RUSSERT: If that means Tommy Thompson on the icket?

GOV. THOMPSON: The best thing that Tommy Thompson can do is to help the national ticket by doing the best job he can as governor of the state of Wisconsin.

MR. RUSSERT: What do you think, David?

MR. BRODER: I think we've got four rising stars here - (laughter) -- who have just sunk below the horizon by heir own words. can't -- I mean, I find that a little hard to believe, but Governor Thompson, there are reports that you have een talking to people about the possibility of being at east a favorite son in the Wisconsin primary.

GOV. THOMPSON: I don't know who's ever told you that because that's not true, David.

MR. BRODER: We've got an overwhelming attack of modesty on our hands.

MR. RUSSERT: Governor Whitman, Governor Wilson, Governor Weld, Governor Thompson, thank you all. Good luck to all of you when except when the Packers play the Bills, the Patriots play the Bills --

GOV. THOMPSON: The Pack's back.

MR. RUSSERT: -- the Chargers play the Bills, and the Giants -- New Jersey Giants play the Buffalo Bills.

GOV. WHITMAN: Thank you. New Jersey.

END

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**GOVERNORS' CAMPAIGN FOR CHILDREN
NATIONAL HEARING
"BUILDING COMMUNITIES FOR CHILDREN"**

**December 8, 1994
Marriott at Metro Center
Washington, D.C.**

Communities from eight states have been selected to discuss their strategies for improving services for young children and their families at a hearing on December 8, 1994, as a part of NGA Chair Howard Dean's initiative, the Governors' Campaign for Children. The communities are Carpentersville, Illinois; Floyd and St. Joseph Counties, Indiana; Capac Community School District, Michigan; Rush City, Minnesota; Walbridge Elementary and Community School, St. Louis, Missouri and Partnership for Children, Kansas City, Missouri; Kanawha and Ritchie Counties, West Virginia; Addison and Franklin Counties, Vermont; and Madison, Wisconsin. These communities are representative of the types of activities going on across the country to strengthen families and provide services for young children. The hearing, "Building Communities for Children," will focus on what works, how communities managed to overcome fragmented programs and services, and what states need to do to make comprehensive services the rule in every community rather than the exception in just a few.

Vermont -- Addison County and Franklin County -- "Success by Six" initiative -- Through the Success by Six initiative, Vermont is helping communities develop comprehensive visions to support children and families, identify existing resources and services that can be directed to support these visions, identify service gaps, and develop proposals to address these gaps in services.

In Addison County, a Success by Six community in rural Vermont, the comprehensive needs of children and families are met through the Addison County Parent/Child Center. Through service agreements with twenty-three different community agencies, the center offers a countywide system of services and referrals, including home visiting and transportation services.

Franklin County, another Success by Six community, is meeting the needs of young children through an Early Childhood Consortium that coordinates resources, services, and training for the early childhood community, including schools, child care, parent/child centers, and Head Start.

Wisconsin -- Madison -- Family Enhancement -- With a twenty-year history of developing programs to strengthen all families in Dane County, Wisconsin, Family Enhancement has demonstrated a strong commitment to neighborhood and community. The non-profit agency, working collaboratively with United Way, public health officials, and others, offers a variety of services and programs, all designed to help parents fulfill their role as their children's primary caretaker and first teacher. A key component of their programs is the Early Childhood Family Enhancement Center located in South Madison which targets parents with young children.

Missouri -- St. Louis -- Walbridge Caring Communities and Kansas City -- Partnership for Children -- Based in an elementary school in North St. Louis, the Walbridge Caring Communities Program is an interagency collaborative effort to integrate services for at-risk children and their families. It's primary focus is on prevention and early intervention to help all children and families in the community achieve their goals. Achievements of the program include greater parental involvement in school, closure of neighborhood crack houses, and children's improved performance in school.

Kansas City's Partnership for Children is a public/private effort to increase public awareness of the needs of children. The Partnership issues an annual Report Card on the status of children in the five-county metropolitan area and serves as an advocate for improvement in services for children and youth. The current focus of their efforts are immunization, child care, and youth violence.

Michigan--Capac Community School District -- Family Connection Project--Initiated by a small group of concerned community residents in 1989, this innovative project provides an array of services to at-risk children and families. A multi-disciplinary team, comprised of a nurse, an early identification specialist and a home visitation specialist, provide intensive, comprehensive service coordination/case management to families in this rural community. The primary focus of this effort is to promote healthy children and families, and to help families develop solutions to ongoing problems including transportation, finances, child care, education and/or training, and parenting skills. An impressive team of state and local leaders work collaboratively to ensure the families needs are what drives the service delivery system, not the bureaucracy.

Minnesota -- Rush City -- The Family Center -- Located in a shopping mall across from the only grocery store in town, the Rush City Family Center has become a place where families can access an array of services to support them in raising healthy, happy children. Parents, local business leaders, school officials, and staff of the Chisago County Health and Human Services work together to reduce red tape, add consistency to maternal and child health care, increase the number of young children in preschool programs, and encourage fathers involvement in parenting.

West Virginia -- Kanawha and Ritchie Counties -- Family Resource Networks -- Creating new partnerships between state government and local communities and changing the way services are delivered are the primary goals of the Family Resource Networks (FRN) in West Virginia. In Kanawha County the FRN has established three family resource centers to enhance access to services, find new ways to assess family needs, and streamline eligibility determinations for several state and federal assistance programs. The FRN in Ritchie County has focused its initial attention on increasing the supply of quality child care in the area. With assistance and support of the Ritchie County Committee on Aging, they have created the state's first intergenerational child care program. They have also implemented school-based health services in a new middle/high school and preventive services for parents with young children.

Indiana -- Floyd County and St. Joseph Counties -- Step Ahead: Indiana Collaboration Project -- Through Governor Bayh's Indiana Step Ahead initiative, counties across the state have formed local Step Ahead Councils with broad community representation to identify and address

the needs of children and families. Building on Step Ahead, in 1993 Governor Bayh created the Indiana Collaboration Project. This project establishes a partnership with the federal government to streamline and resolve barriers to the delivery of comprehensive services to children and families at the local level. Teams have been formed at the community, state, federal regional, and White House levels to facilitate the removal of barriers.

Through the Step Ahead: Indiana Collaboration Project, Floyd County and St. Joseph Counties have mobilized private and public community resources to increase licensed child care; increase the number of children fully immunized by age two; increase access to, and coordination of, pediatric primary care services; and increase services for special needs children.

Illinois--Carpentersville--The DeLacey Early Childhood Center-- Built by a broad group of public and private sector representatives, the DeLacey Early Childhood Center combines funding from several grants (Head Start and Even Start) to provide a comprehensive program for children and families. Given the demographics of this community, one important feature of this program is the provision of bilingual instruction to families, as well as child care while the parents are participating in classes, parent-teacher conferences and other school-based activities. Other resources are available on-site to families including WIC (Special Supplemental Feeding Program for Women, Infants, and Children) and immunizations. The primary goal of this initiative is to promote life-long family involvement in meeting the child's educational needs. As this community set out to meet the needs of its children, it discovered that family-focused activities are essential.

**GOVERNORS' CAMPAIGN FOR CHILDREN
NATIONAL HEARING
BUILDING COMMUNITIES FOR CHILDREN
December 8, 1994
Marriott at Metro Center
Washington, D.C.**

Preliminary Agenda

Preliminary Event

- 8:00 a.m. Breakfast -- Community representatives -- London room
- 9:15 a.m. Governors and others on the hearing panel and their staff meet with Governor Dean for briefing on format for the day -- New York room

Hearing Schedule -- Ballroom

- 9:30 a.m. Welcome and Opening Remarks -- *Governor Howard Dean, M.D.*
Governor Tommy G. Thompson
- 9:45 a.m. Success by Six, Addison and Franklin Counties, Vermont -- *Governor Dean*
- Discussants: *Jane Jackson, CNM (Certified Nurse Midwife)*
Addison County Parent/Child Center
- Mark Sustic, Coordinator*
Franklin County Early Childhood Programs
- K.C. Whiteley, Director*
Head Start - State Collaboration Project
- 10:15 a.m. Family Enhancement, Madison, Wisconsin -- *Governor Thompson*
- Discussants: *Peg Scholtes, Executive Director*
Family Enhancement
- Betty Banks, Coordinator*
Early Childhood Family Enhancement Center
- Fannie Mims, Parent*
- 10:45 a.m. Walbridge Caring Community, St. Louis, Family Investment Trust, and Partnerships for Children, Kansas City, Missouri -- *Governor Mel Carnahan*

Discussants: *Khatib A.F. Waheed*, Director
Caring Communities Program

James M. Caccamo, Executive Director
Partnership for Children

Reginald Dickson, Board of Directors
The Family Investment Trust

11:15 a.m. The Family Center, Rush City, Minnesota -- *Governor Arne Carlson*

Discussants: *Mrs. Susan Carlson*, First Lady and Co-Chair
Minnesota's Action for Children Commission

Ilene Olson, Director
The Family Center

Marina Vork, Director
Chisago County Health and Human Services

Linda Kohl, Director
Minnesota Planning
Chair, Children's Cabinet

11:45 a.m. Lunch
Governors and one staff member-- New York room
(discussion will focus on the up-coming meetings with the White House and
Congressional leaders)
Community representatives -- The Grill (on the second floor)

12:45 p.m. Family Resource Networks, Kanawha and Ritchie Counties, West Virginia --
Governor Gaston Caperton

Discussants: *Kim Barber-Martin*, Director
Regional Family Resource Network
(Boone Clay, Kanawha, and Putnam Counties)

Jim Kelly, President
Ritchie County Family Resource Network

1:15 p.m. Step Ahead and Indiana Collaboration Project, Floyd and St. Joseph Counties,
Indiana -- *Governor Caperton*

Discussants: *Angela E. Robinson*, Coordinator
Floyd County Step Ahead

Maritza Robles, Coordinator
St. Joseph County Step Ahead

1:45 p.m. The Family Connection Project, Capac Community School District, Michigan --
Governor John Engler

Discussants: *Karen Kegler*
Community Nurse

Denise Lesinski, Director
Family Connection

Reverend Pat Van Wormer

2:15 p.m. deLacey Early Childhood Center, Carpentersville, Illinois --
Councilwoman-At-Large Carolyn Long Banks

Discussants: *Linda Kolbusz*, Assistant Superintendent
School District #300

Jane Schumacher, Principal
deLacey Early Childhood Center

2:45 p.m. Closing remarks -- *Governor Dean*

3:00 p.m. Adjourn