

RECOMMENDATION: Each program component included in the welfare reform project corresponds programatically with at least one Executive Department or Office. Primary responsibility for developing the specific strategies within each component part would rest with the corresponding agency. For the Administrative/Service Delivery component and Evaluation, I would suggest the Domestic Policy Council and OMB assume responsibility.

TIMELINE:

Bruce has indicated summer is probably the earliest we can deliver a welfare reform package and I would agree. Once each agency has identified their representative and we have held an initial meeting we can develop a detailed workplan with dates attached to specific products.

This is intended to simply provide a skeleton and frame the beginning discussion for this project. Let me know if you think more informatin is needed at this time.

Service Coordination

*talk to Agriculture and find out
where "welfare simplification" report is.
check on Delaware hosting group.*

*intergovernmental,
public hearing
legislation
communities*

*list of
Congressional
Members
that want to
participate*

NACO/conference of Mayors - intergovernmental (Regional)

PICS / need to participate

U.S.C. 3030a(a)(4)), the Secretary shall encourage access to processed end products containing the commodities when in the Secretary's judgment it is cost effective. The requirements of this subparagraph shall be met in the most efficient and effective way possible. The Secretary may, among other alternatives, use direct purchase, state option contracts authorized under section 3A of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note), State processing programs, and (beginning in fiscal year 1994) agreements with private companies operated as a part of the national commodity processing program.

"(D) In each of fiscal years 1992 and 1993, the Secretary shall conduct a pilot project in not more than three States under which any commodity made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) that the Secretary determines to be appropriate for reprocessing is made available to the agencies as reprocessed end products. The reprocessing shall be performed pursuant to agreements with private companies, at the expense of the agencies, and operated as part of the national commodity processing program established under subparagraph (A). In determining the appropriateness of the commodities to be reprocessed under the pilot project, the Secretary shall consider the common needs of the agencies and the availability of processors."

SEC. 1776. NUTRITION EDUCATION REAUTHORIZATION.

(a) NUTRITION EDUCATION PROGRAM.—Section 1588(a) of the Food Security Act of 1985 (7 U.S.C. 3175e(a)) is amended by striking "\$5,000,000" and all that follows through the end of the subsection and inserting "\$8,000,000 for each of the fiscal years 1991 through 1995."

(b) EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM.—Section 1425(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(c)) is amended by adding at the end the following new paragraph:

"(3) There is authorized to be appropriated to carry out the expanded food and nutrition education program established under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)) and this section \$63,000,000 for fiscal year 1991, \$68,000,000 for fiscal year 1992, \$73,000,000 for fiscal year 1993, \$78,000,000 for fiscal year 1994, and \$83,000,000 for fiscal year 1995."

SEC. 1777. NOTIFYING SHELTERS OF CHARITABLE INSTITUTIONS PROGRAM.

At least once in fiscal year 1991, when commodities are provided to a State by the Secretary of Agriculture for donations to charitable institutions the Secretary of Agriculture shall require the appropriate State agency to undertake efforts to inform shelters for the homeless and for battered women and children of—

- (1) the availability of commodity donations to charitable institutions;
- (2) the criteria for qualifying to receive the donations; and
- (3) how application can be made to receive the donations.

SEC. 1778. WELFARE SIMPLIFICATION AND COORDINATION ADVISORY COMMITTEE.

(a) APPOINTMENT AND MEMBERSHIP.—

(1) ESTABLISHMENT.—There is established an Advisory Committee on Welfare Simplification and Coordination (hereafter in this section referred to as the "Committee") consisting of not fewer than 7, nor more than 11, members appointed by the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, and with the advice of State and local officials responsible for administering the food stamp program, cash and medical assistance programs for low-income families and individuals under the Social Security Act, and programs providing housing assistance to needy families and individuals, and representatives of recipients and recipient advocacy organizations associated with such programs.

(2) QUALIFICATIONS.—The members of the Committee shall be individuals who are familiar with the rules, goals, and limitations of Federal food stamp, cash, medical, and housing assistance programs for low-income families and individuals, and may include individuals who have demonstrated expertise in evaluating the operations of and interaction among such programs as they affect administrators and recipients, persons who have experience in administering such programs at the Federal, State, or local level, and representatives of administrators and recipients affected by such programs.

(b) PURPOSE.—It shall be the purpose of the Committee, in consultation, where appropriate, with program administrators and representatives of recipients—

(1) to identify the significant policies implemented in the food stamp program, cash and medical assistance programs under the Social Security Act, and housing assistance programs (whether resulting from law, regulations, or administrative practice) that, because they differ substantially, make it difficult for those eligible to apply for and obtain benefits from more than one program and restrict the ability of administrators of such programs to provide efficient, timely, and appropriate benefits to those eligible for more than one type of assistance, drawing, where appropriate, on previous efforts to coordinate and simplify such programs and policies;

(2) to examine the major reasons for such different programs and policies;

(3) to evaluate how and the extent to which such different programs and policies hinder, to a significant degree, the receipt of benefits from more than one program and substantially restrict administrators' ability to provide efficient, timely, and appropriate benefits;

(4) to recommend common or simplified programs and policies (including recommendations for changes in law, regulations, and administrative practice and for policies that do not currently exist in such programs) that would substantially reduce difficulties in applying for and obtaining benefits from more than one program and significantly increase the ability of administrators of such programs to efficiently provide timely and appropriate assistance to those eligible for more than one type of assistance and

(5) to describe the major effects of such common or simplified programs and policies (including how such common or simplified programs and policies would enhance or conflict with the purposes of such programs, how they would ease burdens on administrators and recipients, how they would affect program costs and participation, and the degree to which they would change the relationships between the Federal Government and the States in such programs) and the reasons for recommending such programs and policies (including reasons, if any, that might be sufficient to override special rules derived from the purposes of individual programs).

(c) **ADMINISTRATIVE SUPPORT.**—The Secretary shall provide the Committee with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

(d) **REIMBURSEMENT.**—Members of the Committee shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by such members in the performance of the duties of the Committee.

(e) **REPORTS.**—Not later than July 1, 1993, the Committee shall prepare and submit, to the appropriate committees of Congress, the Secretary of Agriculture, the Secretary of Health and Human Services, and the Secretary of Housing and Urban Development a final report, including recommendations for common or simplified programs and policies and the effects of and reasons for such programs and policies and may submit interim reports, including reports on common or simplified programs and policies covering less than the complete range of programs and policies under review, to the committees and such Secretaries as deemed appropriate by the Committee.

SEC. 1779. SCHOOL LUNCH STUDIES

(a) **IN GENERAL.**—The Secretary of Agriculture shall determine—

- (1) the quantity of bonus commodities lost, by State, since the 1987–88 school year;
- (2) what school food service authorities charge students for non-free or reduced price meals; and
- (3) trends in school participation and student participation, by State and for the United States.

(b) **ADDITIONAL STUDY.**—

(1) **IN GENERAL.**—The Secretary shall determine—

- (A) the cost to produce school lunches and breakfasts, including indirect and local administrative costs;
- (B) the reasons why schools choose not to participate in the National school lunch program;
- (C) the State costs incurred to administer the school programs;
- (D) why children eligible for free or reduced price meals do not apply for benefits or participate; and
- (E) other information considered necessary by the Secretary.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this subsection, \$1,000,000

(c) **REPORTS.**—The Secretary shall submit to Congress—

- (1) an interim report on the study required by subsection (a) not later than October 1, 1991;
- (2) an interim report on the study required by subsection (b) not later than October 1, 1992; and
- (3) a final report on the studies required by subsections (a) and (b) not later than October 1, 1993.

Subtitle C—Effective Dates

SEC. 1781. EFFECTIVE DATES.

(a) **IN GENERAL.**—Except as otherwise provided in subsection (b) and other provisions of this title, this title and the amendments made by this title shall become effective and implemented the 1st day of the month beginning 120 days after the publication of implementing regulations. Such regulations shall be promulgated not later than October 1, 1991.

(b) **SPECIAL EFFECTIVE DATES.**—

(1) **OCTOBER 1, 1990.**—The amendments made by sections 1721, 1730, 1750, 1754, 1760(1)(A), 1761, 1762, 1771(a), 1771(d), 1772(c), 1772(f), 1772(g), and 1776 shall be effective on October 1, 1990.

(2) **DATE OF ENACTMENT.**—The amendments made by sections 1718, 1729, 1731, 1739, 1742, 1746, 1747, 1748, 1749, 1751, 1753, 1755, 1756, 1757, 1758, 1759, 1760 (1)(B) and (2), 1763, 1771(b), 1771(c), 1772(a), 1772(b), 1772(d), 1772(h), 1773, 1774(a)(1), 1774(b), 1774(c), 1775(a), 1775(b), 1777, 1778, and 1779 shall become effective on the date of enactment of this Act.

(3) **APRIL 1, 1991.**—The amendments made by sections 1716, 1722, and 1736(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated not later than April 1, 1991.

(4) **CATEGORICAL ELIGIBILITY.**—The amendment made by section 1714(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated—

(A) in the case of a State general assistance program, not later than October 1, 1991; and

(B) in the case of a local general assistance program, not later than April 1, 1992.

TITLE XVIII—CREDIT

Subtitle A—Farmers Home Administration Loans

SEC. 1801. REFERENCES TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision the reference shall be considered to be made to a section or other

REFORMING MEDICAID ELIGIBILITY RULES

BY SARAH SHUPTRINE

PUBLIC HOSPITALS HAVE A MAJOR STAKE IN how the Medicaid eligibility process works in their service area. There is reason for concern. Local, state and national studies document the existence of policy and procedural barriers to Medicaid enrollment.

Since families who are eligible for Aid to Families with Dependent Children (AFDC) are automatically eligible for Medicaid benefits, AFDC is a major gateway to Medicaid for poor families with children. Nationwide, in 1988-89, 26% (2,758,044 individuals, mostly children) of AFDC applications resulted in denial of AFDC and thus Medicaid benefits. Of all denials, 63% were for "failure to comply with procedural requirements," rather than for reasons related to income or resources.

As part of an effort to enroll more indigent persons for Medicaid, Memorial Medical Center (MMC) in Savannah, Georgia commissioned Sarah Shuptrine and Associates to examine the Medicaid eligibility process in Chatham County and statewide. MMC is the major provider of indigent health care in Chatham County. Like other regional hospitals around the nation, MMC is on the front lines attempting to cope with an increasing population of uninsured and underinsured citizens. Eligibility barriers which block the application process for those who could be covered by Medicaid make a bad situation worse.

PROCEDURAL DENIALS AND LOSS OF MEDICAID REVENUE

The MMC study examined eligibility outcome statistics for AFDC and the Medicaid only pregnant women, infants and children groups. The analysis of FY 1990 Georgia eligibility data showed the following:

■ 46% of all AFDC applicants were denied (199,740 individuals, mostly children).

■ Of all AFDC denials, 74% were for procedural reasons.

■ 22% of the pregnant women, infants and children applying for Medicaid only were denied (18,766 individuals).

■ Of all denials of Medicaid only pregnant women, infants and children, 79% were for procedural reasons.

Estimated Medicaid revenue losses for AFDC procedural denials totaled \$56.3 million statewide (\$35.4 million for hospital care, \$12 million in physician services and \$8.9 million in other services). Estimated Medicaid revenues losses statewide for denial of Medicaid only pregnant women, infants and children totaled \$20.6 million (\$14.1 million for hospital care, \$5 million for physician services and \$1.5 million in other services).

As part of the Georgia study, face to face interviews were conducted with applicants denied for procedural reasons. In addition to completion of an application form, applicants had to return an average of five additional verification documents within 10 days. A number of these documents had to be completed by third parties such as employers and landlords.

Eligibility workers also find the eligibility process to be complicated and discouraging. A Georgia eligibility worker described the environment by saying, "You can either be a paperworker or a social worker, but it is difficult to be both with these caseloads and requirements. It would be great to have more discretion, but what happens when you use the wrong discretion? Performance reviews are focused on reducing errors and on the standard of promptness. There is no discussion of who you helped."

(Continued on next page)

FRAGMENTED FEDERAL RULES

While there are actions which can be taken at the state and local levels to reduce barriers to eligibility, federal rules and regulations are the primary reasons the eligibility process is complicated and burdensome for both applicants and eligibility agencies. Two major contributing factors are:

- Lack of uniformity across the three major federal poverty programs (AFDC, Medicaid and food stamps).
- Federal error rate sanctions for AFDC, Medicaid and food stamps are directed only at inappropriate approvals, thus making it safe to deny applicants.

The need for uniformity presents a compelling case for action by the Administration and Congress. (See Table 1.)

TABLE 1

Examples of Differing Federal Program Rules

Item	AFDC	Medicaid	Food Stamps
Automobile	\$1,500 equity value limit	Varies from \$1,500 equity value limit to exclusion	\$4,500 market value limit, certain exclusions allowed
Life Insurance	Applied against liquid asset limit of \$1,000 based on cash value	Exemption varies from face value up to \$1,500 to total exemption	Cash value is exempt
Citizenship	All adults must sign form	All adults must sign form	The adult who is filing the application may sign for all adults

Why can't the same definition be applied across all programs? Why can't the same verification requirements apply across all programs? And, why can't resource limits be adjusted upward to reflect current living costs and have the same value for all programs?

Fragmentation across AFDC, Medicaid and food stamps begins at the federal level and extends throughout state and local eligibility systems. Oversight is handled by three different committees in the U.S. House of Representatives and two different committees in the U.S. Senate. AFDC, Medicaid and food stamps are administered by three different federal agencies in two different federal departments. While these programs are most often administered by the same agency at the state level, they generally operate in an autonomous manner. Local level eligibility agencies generally find the complexity across the three programs to be too much for one worker so they continue the segmentation of the eligibility process. The resulting complexity not only places a burden on applicants who are applying for more than one program, it also creates an environment which makes it more difficult for applicants who are applying for any one program. The lack of uniform program rules across AFDC, Medicaid and food stamps is also administratively inefficient. It adds more paperwork, requires more resources and increases the likelihood of errors. It hinders efficiency of staff and places obstacles in the way of comprehensive and coordinated service delivery.

Uniformity in program rules would mean a significant reduction in the existing administrative duplication which has resulted in excessive costs, wasted resources, increased errors and stressful working environments. It would also mean significant savings in future administrative costs, such as, computer systems and training. And uniformity is an essential first step to the promotion and facilitation of efforts to coordinate and integrate services.

FEDERAL REFORM NEEDED

Federal statutory reforms are required to achieve uniformity in program rules. Legislation to achieve uniformity in program rules should not alter income eligibility levels or categorical requirements such as age, pregnancy or disability. The legislation should

Required Verification Documents

GENERALLY AN APPLICANT WILL BE REQUIRED to provide the following information when meeting with case workers for the purpose of determining eligibility:

1. Social Security cards for all household members
2. Multiple pay stubs, or earning statement from employer
3. Proof of income from rental property
4. Award letters for Social Security, Supplemental Security Income, Veteran Administration, Unemployment Compensation, Workmen's Compensation
5. Proof of support and/or alimony payments
6. Bank statements, checking accounts, savings accounts, credit union records, stocks and bonds
7. Rent/mortgage payment receipts
8. Utility receipts
9. Proof of citizenship or alien status
10. Verification of age of child or children
11. Proof of the absence or disability of a parent
12. Verification of address
13. Collateral verification of family composition, address and other items
14. Tag receipt or title of all motor vehicles
15. Tax notice on real estate
16. All life and health insurance policies and any insurance identification cards
17. Written statement of child care expenses
18. Written statements from anyone making a contribution (cash or vendor payments)
19. If pregnant, written statement verifying pregnancy

It is not unusual for an applicant to have to make two or three trips to return with all documents necessary for verification.

concentrate on program areas other than income and categorical requirements in order to substantially reduce eligibility barriers faced by applicants eligible under current income criteria.

The uniform rules should apply to families seeking AFDC/Medicaid benefits, all other children eligible for Medicaid, including foster children, children eligible for adoption subsidies and Medicaid only pregnant women, infants and children eligible by virtue of congressional amendments since 1986.

Achieving uniformity in program rules would reduce barriers for poor families with children and Medicaid only pregnant women, infants and children who are eligible under current income levels and improve access to cost effective preventive and primary care. Uniform program rules would facilitate service coordination and integration efforts, reduce cost shifting and reduce costly administrative duplication.

Sarah Shuptrine is President of Sarah Shuptrine and Associates, a professional policy research and consulting firm based in Columbia, South Carolina.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

To: Carol Rasco
From: Dwight C. Holton
Date: February 17, 1993
Subject: Attorney General Bonnie Campbell

As I mentioned to you, Attorney General Bonnie Campbell of Iowa is interested in participating in the work of the Welfare Reform Task Force. Once the structure of the Task Force is determined, could you please contact Elizabeth Buck of the AG's staff to let her know how/if Ms. Campbell can participate? Elizabeth can be reached at 515-281-7687.

Thanks.

DWIGHT

Kathi Way
- Let's try
to involve
her. We'll
talk tomorrow.
CWH

Bruce Reed/Kathi Way

JAMES N. ADLER*
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January 23, 1993

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WRITER'S DIRECT DIAL NUMBER

→ CAROL PASCO
- mic
- [Signature]

John Emerson
Special Assistant to the President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20503

Dear John:

My cousins, Gordin and Lucy Bara, say to say hello. More importantly, congratulations both on a job well done and on your new job.

I hope you, or someone on your staff, will have the time to read this letter which concerns ideas both for welfare reform and for putting people to work in a way which will not adversely impact the federal budget. Indeed, although we read almost every day that the federal budget deficit will preclude this or that Clinton initiative, the three ideas described in the enclosed papers would not require substantial new federal expenditures. They could, nevertheless, result in the creation of hundreds of thousands of new jobs, particularly in a state such as California with a high welfare stipend.

The basic concept of the enclosed paper "Why Welfare or Even Workfare? Why Not Jobs!" is strikingly simple and is based upon a provision of the welfare statute as it existed in the 1960's. At that time, 42 USC § 609 authorized state plans which provided for the welfare stipend to be "made in the form of payments for work performed." If states were once again permitted to make welfare payments in the form of payments for

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John Emerson
January 23, 1993
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work performed (i.e., as a wage), states could convert substantial portions of their welfare programs into job programs with little or no increase in federal expenditure. For example, in California the welfare stipend is \$624 per month for a family of three. This same amount of money could be paid as a \$4.50 per hour wage for a 32 hour per week job. Although the economics of such a program are essentially identical to those where a state requires work as a condition of staying on welfare, the psychological impact upon the recipient is totally different. Instead of bearing the stigma of being on welfare and being required to work in order to maintain this "entitlement", the welfare recipient becomes "employed", and with a job also becomes a contributing member of his or her community.

These ideas are fully consistent with a number of themes in the President's Inaugural Address -- particularly those where he said: "We must provide for our nation the way a family provides for its children" and "It is time to break the bad habit of expecting something for nothing." Ironically, our present welfare system is totally inconsistent with these principles, for no family would subsidize idleness in the way our current welfare system does. Moreover, by putting welfare recipients to work -- not as a condition of maintaining themselves on welfare, but as an alternative to welfare -- we would not only improve the long-term outlook of those on welfare but would also create the conditions which will facilitate asking the middle and upper classes of our society to make sacrifices, for it is unrealistic and unwise to ask those who work to make sacrifices in order to subsidize the idleness of those who do not.

In addition to the paper "Why Welfare", I am enclosing an Op-Ed piece (so far unpublished) describing the same program in less than 750 words.

I have also enclosed a two page proposal describing how to convert the nation's employment services into an effective one-stop center providing referrals first to jobs, but alternatively to various state or federal programs.

Finally, I have enclosed a proposal which would increase the number of jobs created by any public works programs while at the same time actually reducing the total cost to the Nation.

John Emerson
January 23, 1993
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✓ The ideas are the product of my experience both as a member, and now Chairperson, of the Los Angeles County Public Social Services Commission, and as a young staffer in the Kennedy and Johnson administrations when I was fortunate to work on several multi-agency programs designed to alleviate either regional or national poverty: the President's Appalachian Regional Commission; a program of emergency relief for East Kentucky; and the President's Task Force for the War Against Poverty. Out of these experiences came the belief that our Nation's domestic programs would be much more effective if they were more coherently designed and better implemented. Although more money would be useful, what is more essential than more money is to recognize that relieving idleness is as important as relieving poverty and that programs need to be rethought and reorganized in order to put people to work or into educational and training programs rather than onto the dole.

While none of these ideas may be sufficiently glamorous to form the center piece for a major new initiative, if quietly enacted, they will work and will have an enormous long-term impact, particularly in industrial states such as California which have comprehensive welfare programs with a significant monthly stipend. We cannot afford to doom another generation of welfare recipients to programs which subsidize idleness. Persons on welfare should be entitled to feel, and be, productive, and we need their services. Their children, moreover, need the role models of a parent who works.

Either the welfare program can be viewed as presenting a great problem to be solved, or it can viewed as presenting a great resource to be utilized. If states were once again permitted to pay the welfare stipend "in the form of payments for work performed," states could convert their welfare programs into constructive jobs. All in their communities would benefit.

I would love to discuss these ideas with you further, either in Washington or Los Angeles, or on the phone. I believe my experience both with the Los Angeles Department of Public Social Services and in Washington could be very useful

John Emerson
January 23, 1993
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in the administration's efforts at job creation, welfare reform and budget reduction.

Sincerely,

James N. Adler

JNA:mk
Enclosures

WHY WELFARE OR EVEN WORKFARE? WHY NOT JOBS!
Executive Summary **by James N. Adler**

THE PROBLEM:

- Millions of persons idle and without jobs
- Many municipal and other governmental services curtailed
- A national debt and a budget deficit so large that new expenditures are severely limited
- A welfare system which is self-perpetuating and harmful

A SOLUTION:

- Permit states to pay the welfare stipend in the form of a wage¹ (determined by dividing the welfare stipend by the minimum wage or some other appropriate rate). Without increased federal cost, this "creates" jobs! (Of course, to take advantage of the "free" (to them) employees, a state or local agency would need to provide supervision, workers' compensation and, where appropriate, child care services.)
- Create public and non-public sector part-time jobs for those "welfare recipients" by permitting such agencies to bid for people (much as they now compete for dollars)
 - Fund, with people, those jobs with the best potential for training and future employment
- Create child care centers in churches or other neighborhood facilities unused during the day. Staff these centers with "welfare mothers" who--because they now earn their stipend as a wage--are now day care workers. When they are available assign college graduates working off their national service scholarships
- Other types of jobs: neighborhood clean-up, neighborhood watch, police vehicle maintenance, park and building maintenance, public bands, etc., etc.

OBSTACLES:

- Minor legislative changes needed
- Expense of workers compensation which must be provided by the host agency or a federal fund, (but not a large increase in cost since person probably eligible for medicaid)
- Organizing the needed child care
- Convincing liberals and unions that low wage jobs are better than no jobs

¹In the 1960's 42 U.S.C. § 609 provided that states could under certain circumstances provide welfare in the form of payments for work performed.

WHY WELFARE OR EVEN WORKFARE? WHY NOT JOBS!

By James N. Adler¹

I. INTRODUCTION.

The inadequacy and failure of the current welfare system is now so widely recognized that little time need be devoted to the need for its reform or abolition. A system which was originally intended to provide assistance to poor families temporarily without adequate income has now become a multigenerational source of public embarrassment and despair. Although in many states welfare does provide the bare necessities of life to families with children, the assistance does nothing to replace idleness with useful activity or training and is provided in a way which robs its recipients of all dignity.

The impact on the entire family unit is too often devastating. The children are made to appear to be the source of the family's income, the mother or the father and mother are locked into poverty and idleness, and the general public is resentful over the vast expenditures which seem to be endless, not temporary. Neither our communities nor the

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recipients of this aid appear to be substantially benefitting from it.

From the 60's to the present a great deal of thought has been given to these issues. Based on demonstration projects conducted in various parts of the country, a general consensus seems to have arisen favoring "workfare", which generally has involved conditioning welfare upon the acceptance of remedial education and job training. This is the approach which was pioneered in California under the GAIN label and was adopted nationally as the JOBS program. These programs, however, have not -- and almost certainly will not -- live up to their sponsors' expectations because of their enormous cost, the lack of adequate child care, and the psychological impact of conditioning welfare, which has come to be seen as an "entitlement," upon engaging in specified conduct.

This paper argues for a "new" approach: JOBS (and educational scholarships), and demonstrates how the essentially open-ended federal funding for the basic welfare program can become the foundation for large-scale, public jobs programs without substantial, adverse, federal budgetary impact. The goal is to be able to say to most current recipients and new applicants for welfare:

You are in luck. You don't need welfare. We have several jobs to offer you. You pick the one which is most appealing to you [in terms of the nature of the work, where it is located, or your perception of where the job could lead.] Or you can choose to go back to school.

II. BREAKING TWO OF THE MOST VICIOUS CIRCLES.

First, there is the vicious circle of poverty, a circle which can best, and perhaps only, be broken by a job or education, or both. Second, there is the vicious circle created by our unwillingness or inability to allocate (many would argue "invest") the apparently large amounts of public funds necessary to create new day-care, educational and work opportunities for the adult members of welfare families.

Fortunately, both of these vicious circles can be broken -- perhaps not as well as they should be, but at least broken -- by utilizing the resources -- both human and financial -- of the welfare system itself.

In the 60's, a provision of the welfare law permitted payment of the welfare stipend "in the form of payments for

work performed",² so long as certain conditions were met. Although Title V of the poverty program was intended to foster the use of this option, so far as I am aware no state or locality ever took advantage of the quoted language to pay the welfare stipend in the form of a wage for work performed. There have, of course, been numerous programs where work was required as a condition of a family's remaining eligible for welfare. While such programs are undoubtedly better for the community and the welfare recipients than simply providing a stipend with nothing expected or derived in return, their whole psychology is counterproductive for they reinforce the dignity-robbing features which are at the core of much of the problem today with our Nation's welfare programs and recipients.

III. THE BASIC ARITHMETIC OF A JOBS PROGRAM.

In California a family of three now receives a basic grant of \$624 per month or \$7,488 per year. With food stamps these amounts become approximately \$840 per month or \$10,080 per year. Such a family would also generally be eligible for Medicaid. If these same sums were provided in the form of payment for work performed, i.e. as wages, it is readily apparent that the welfare stipend, even without being supplemented by a bonus for working or by the value of food

²42 U.S.C. 609, adopted in 1962 and since repealed.

stamps which would continue to be received, is sufficient to support substantial, part-time employment. For example, a single mother of two could be paid \$4.50 per hour for 32 hours per week without the amount of money being received as wages exceeding the amount of money she is now being paid through her welfare stipend for remaining idle.

Of course, a state or local agency, or non-profit organization, would need to pay the costs of supervising a person on welfare as well as providing for workers' compensation, transportation expenses and other work-related costs, but these costs should be a small price to pay for the useful labor of individuals whose basic salary is "free". Moreover, there are offsetting savings which can be achieved. For example, since it is not possible to be at two jobs at the same time, the most prevalent forms of welfare fraud should rapidly be reduced almost to zero. More importantly, by developing work habits and skills, recipients can be expected to leave the welfare roles more quickly than would otherwise be the case.

IV. THE CREATION OF JOBS AND CHILD CARE ALTERNATIVES.

Since most welfare families are headed by a woman, child care must also be available if any significant number of welfare mothers are to be offered an employment alternative :

welfare. Again, those on welfare should be thought of as a resource, rather than a burden. With the help of a neighborhood church or local service facility, could not a child care facility be created by offering some of the neighborhood welfare mothers jobs as child care providers for their own children and those of others? In this way, all of the mothers involved could become both employable and employed.

Ideally, of course, as the program progressed, guidelines, curricula and materials would be developed so that this child care experience would be one of enrichment for both the children and the attendants. A basic Headstart program should be achievable, especially if some form of national service is required of all young adults or of those who receive federally funded student assistance. But even before the child care has progressed to this point, it is likely that both the children and the attending mothers would find some enrichment from being together as a group which was larger than that of a single family.

The type of jobs available for those who do not elect to be involved in the child care centers should be almost endless given the tremendous needs which exist throughout the public sector. What is envisaged is jobs in the public sector, in the private non-profit sector, or with private for-profit companies performing public works where, in each instance, the

jobs involve performing work which is directly beneficial to the community. The jobs, moreover, should be part-time -- no more than 32 hours per week -- so that the holders of these jobs will have at least one full day (or its equivalent) free to search for regular public sector or private sector jobs. The jobs should pay a "wage" equal to the lowest prevailing rate in the community for this type of employment in order not to disrupt the existing wage relationships and in order to insure that incentives exist to move on to regular public sector or private sector jobs as soon as possible.

The jobs should be generated by asking public and non-profit community agencies to submit proposals to a local Jobs agency, most likely derived by combining elements of the community's welfare and unemployment agencies. The proposals should describe what the sponsor would do with the employees to be provided from the welfare ranks. Emphasis would be placed on skills to be taught and how these skills and the work and educational opportunities to be provided could be expected to lead to existing, regular jobs. Community needs should also be considered in determining which job proposals would be placed into a job bank from which applicants would then be permitted to choose. Sponsoring agencies would need to agree to provide from their own budgetary sources adequate supervision, materials and workers' compensation insurance. Since these jobs, initially at least, will be for welfare recipients, additional medical insurance should not be

necessary if, as in California, the state medicaid program is available.

At the outset, it may be that the jobs being developed would be little more than leaf raking, or street cleaning. Even if this were so, it should be acceptable. There is nothing the matter with having clean communities. We would all benefit from them. Disneyland might be thought of as the ideal. No one ever complains about the "excess" of cleanliness, the "excess" of flowers or the presence of live bands. Why shouldn't we strive to make the communities we live in as much like this as possible?

Very quickly, however, many additional jobs can be expected to come into being. For example, Los Angeles intends to move into community-based policing. Could not welfare mothers in pairs of two or three, wearing special T-shirts or other identifiable clothing and armed only with a radio (or training to call 911 or a special 800 number) walk their neighborhoods in order to provide an increased, visible presence? Of course, the number of jobs assisting in schools, hospitals, libraries, police vehicle maintenance garages and other areas is virtually endless. In light of the strapped condition of virtually every public agency, it is possible that the number of job requests could substantially exceed the number of people available, thus permitting the funding agency to select for funding only those jobs which promised the most

meaningful work opportunities or which were most desperately needed in the community.

In many areas, particularly in urban areas, it may also be possible to integrate formal educational opportunities into some of the jobs. But even where this is not possible, the on-the-job, actual work experience itself should help participants in this Jobs program become more employable.

Another alternative would be to permit welfare recipients to elect to attend educational courses available in the community. In this way the welfare stipend could become a mini-GI bill.

V. JUST A BEGINNING.

The program described here is just a beginning. Ideally, all domestic programs which have as their primary purpose alleviating poverty through welfare, job training, or income maintenance would be reorganized into a comprehensive, coherent program. For example, only recently we have seen unemployment "insurance" extended for those whose benefits were about to run out. These extensions are financed directly from the general funds of the government and are nothing more than welfare for the recently employed. Why should these (most likely) more skilled unemployed person not receive their income in the form of payments for work performed? In short,

the ideal would be for the federal government to become the sponsor of last resort employment instead of its present role as income maintainer of last resort.

The difference is enormous. There are only two ways in our culture to receive money with dignity: either through a job or through educational scholarships. In the Great Depression we instinctively knew what to do. Provide jobs. In the aftermath of World War II we also knew what to do. Establish a GI Bill.

Unfortunately, it is neither budgetarily nor politically feasible at the present time to propose a massive federally-funded jobs program. The funds just are not there, or so says the conventional wisdom. But if the present welfare laws were modified only slightly, as discussed below, to once again permit the payment of a non-taxable welfare stipend in the form of compensation for work performed -- an amendment which is without adverse federal budgetary impact -- then a substantial jobs program, including child care, could be developed in states such as California which have a meaningful welfare benefit level. Moreover, although the emphasis throughout this paper has been upon the welfare mother, because such mothers generally head welfare families, California and most other industrial states also have welfare families which include unemployed fathers who would also

become immediate beneficiaries of a Jobs program such as that outlined here.

VI. WHAT MORE IS NEEDED.

The existing AFDC program provides the basic source of funding to develop jobs and education programs of the type envisioned here.

Moreover, the existing provisions of our welfare laws permit work programs: 42 USC § 682(e) -- The "Work supplementation program" and 42 USC § 682(f) -- The "Community work experience program." Of these, the work supplementation program probably comes the closest to providing the necessary structure, for the work supplementation program clearly contemplates that the money from the welfare stipend would be paid to the recipient as a wage. Indeed, the only significant impediment to using the work supplementation program is a provision, 42 USC § 682(e)(5)(B), which provides that "wages" paid under this program will be considered to be "earned income." As a result, these wages would be subject to state and federal income taxes, social security taxes and various other state employment taxes. Although the income tax causes little problem, since in virtually all cases the level of income would be below the threshold when taxes would be due, the need to pay the other taxes, such as the social security tax, imposes a burden on the public employer and reduces the

amount of money immediately available to the recipient. As a result, implementation of a program of the type envisaged by this paper is rendered much less likely.

Two cures, at least, suggest themselves. One is to provide that welfare payments made in the form of payments for work performed will continue to be treated for tax purposes as welfare payments. Another would be to add a proviso to 42 USC § 682(e)(5)(B), such as the following: "provided, however, to the extent the family continues to meet the eligibility requirements for AFDC, welfare payments received in the form of wages for work performed by recipients assigned to work projects with public employers, private non-profit or not for-profit employers or private employers performing work of direct benefit to the public, shall not be considered earned income for the purposes of any provision of law." Such a provision would have no measurable, adverse budgetary impact upon state or federal governments, but would be of substantial assistance in converting the welfare program into a jobs and education program of the type contemplated here.³

³Unfortunately one section (Section 7143) of the generally excellent legislation being sponsored by Senator Boren to create Community Works Progress Demonstrations would limit the Work Supplementation Program to private employers. This section is totally unnecessary to accomplish any of Senator Boren's goals and its inclusion in his bill could limit the ability of states and local communities to utilize the existing AFDC entitlement program to implement programs of the type discussed in this paper. Under the proposed legislation, such programs utilizing public employers would be possible only by securing one of the limited number of demonstration projects.

The community work experience program authorized by 42 USC § 682(f) could also be used for such a Jobs program except that § 682(f)(1)(e) prohibits making payments under this program "as compensation for work performed." Unless the changes discussed above are made, this limitation must be removed if our nation is truly committed to assisting welfare recipients move towards independence and productivity and away from dependence. Here the easiest solution would be simply to amend § 682(f)(1)(C) by providing that the word "prohibiting" should be substituted for the word "authorizing." A second alternative is also possible.

Since Section § 682(f)(1)(C) almost certainly came about as a result of pressure from unions, another solution would be to provide more elaborate provisions which would permit the AFDC grant to be paid as compensation for work performed, provided additional conditions -- perhaps modeled after those agreed upon in 1962, and then set forth in 42 USC § 609 -- were included to prevent abuse.⁴

Finally, of course, very broad authority for waivers for experimental, pilot or demonstration -- such as those contained in Title V of the Economic Opportunity Act of 1964 -- would be very helpful,⁵ as would a provision which would provide:

⁴A copy of these provisions is attached.

⁵A copy of these provisions is also attached.

As an alternative to participating in any work experience program under Sections 682(e) or 682(f), any eligible participant may elect to attend educational classes so long as such participant is enrolled in not less than 20 hours of instruction per week and maintains at least a C average or its equivalent. States or communities may with the Secretary's approval provide such other safeguards as are deemed reasonably necessary to insure adequate attendance and progress. Classes selected may be vocational or may lead to a GED or college degree. Payment may be in the form of a weekly, bi-weekly or monthly stipend provided all appropriate conditions have been met for the proceeding period.

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(c) (1) The first sentence of section 1 of such Act is amended to read as follows: "For the purpose (a) of enabling each State, as far as practicable under the conditions in such State, to furnish financial assistance to aged needy individuals, (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title."

(2) The first sentence of section 401 of such Act²⁹ is amended (A) by inserting "and rehabilitation" after "financial assistance", and (B) by inserting "or retain capability for" after "attain".

(3) The first sentence of section 1001 of such Act³⁰ is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

(4) The first sentence of section 1401 of such Act³¹ is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

COMMUNITY WORK AND TRAINING PROGRAMS

Sec. 105. (a) Title IV of the Social Security Act³² is amended by adding at the end thereof the following new section:

"COMMUNITY WORK AND TRAINING PROGRAMS

"Sec. 409. (a) For the purpose of assisting the States in encouraging, through community work and training programs of a constructive nature, the conservation of work skills and the development of new skills for individuals who have attained the age of 18 and are receiving aid to families with dependent children, under conditions which are designed to assure protection of the health and welfare of such individuals and the dependent children involved, expenditures (other than for medical or any other type of remedial care) for any month with respect to a dependent child (including payments to meet the needs of any relative or relatives, specified in section 406(a), with whom he is living) under a State plan approved under section 402 shall not be excluded from aid to families with dependent children because such expenditures are made in the form of payments for work performed in such month by any one or more of the relatives with whom such child is living if such work is performed for the State agency or any other public agency under a program (which need not be in effect in all political subdivisions

29. 42 U.S.C.A. § 601.
30. 42 U.S.C.A. § 1201.

31. 42 U.S.C.A. § 1351.
32. 42 U.S.C.A. § 601 et seq.

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of the State) administered by or under the supervision of such State agency, if there is State financial participation in such expenditures, and if such State plan includes—

"(1) provisions which, in the judgment of the Secretary, provide reasonable assurance that—

"(A) appropriate standards for health, safety, and other conditions applicable to the performance of such work by such relatives are established and maintained;

"(B) payments for such work are at rates not less than the minimum rate (if any) provided by or under State law for the same type of work and not less than the rates prevailing on similar work in the community;

"(C) such work is performed on projects which serve a useful public purpose, do not result either in displacement of regular workers or in the performance by such relatives of work that would otherwise be performed by employees of public or private agencies, institutions, or organizations, and (except in cases of projects which involve emergencies or which are generally of a nonrecurring nature) are of a type which has not normally been undertaken in the past by the State or community, as the case may be;

"(D) in determining the needs of any such relative, any additional expenses reasonably attributable to such work will be considered;

"(E) any such relative shall have reasonable opportunities to seek regular employment and to secure any appropriate training or retraining which may be available;

"(F) any such relative will, with respect to the work so performed, be covered under the State workmen's compensation law or be provided comparable protection; and

"(G) aid under the plan will not be denied with respect to any such relative (or the dependent child) for refusal by such relative to perform any such work if he has good cause for such refusal;

"(2) provision for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment or occupational training of any such relatives performing work under such program, including appropriate provision for registration and periodic reregistration of such relatives and for maximum utilization of the job placement services and other services and facilities of such offices;

"(3) provision for entering into cooperative arrangements with the State agency or agencies responsible for administering or supervising the administration of vocational education and adult education in the State, looking toward maximum utilization of available public vocational or adult education services and facilities in the State in order to encourage the training or retraining of any such relatives performing work under such program and otherwise assist them in preparing for regular employment;

"(4) provision for assuring appropriate arrangement the care and protection of the child during the absence the home of any such relative performing work under program in order to assure that such absence and work not be inimical to the welfare of the child;

"(5) provision that there will be no adjustment or rec by the State or any political subdivision thereof on ac of any payments which are correctly made for such v and

"(6) such other provisions as the Secretary finds nece to assure that the operation of such program will not i fere with achievement of the objectives set forth in se 401.

"(b) In the case of any State which makes expenditures i form described in subsection (a) under its State plan app under section 402, the proper and efficient administration of the plan, for purposes of section 403(a) (3), may not include the of making or acquiring materials or equipment in connection the work performed under a program referred to in subsection or the cost of supervision of work under such program, and include only such other costs attributable to such progr a permitted by the Secretary."

(b) The Secretary shall submit to the President, for transmi to the Congress prior to January 1, 1967, a full report of the adn tration of the provisions of the amendment made by subsection including the experiences of each of the States in paying for under community work and training programs under the provi of their respective State plans which are in accord with such an ment, together with his recommendations as to continuation o modifications in such amendment.

(c) Expenditures (other than for medical or any other ty remedial care) made at any time during the period beginning Ju 1961, and ending with the close of September 30, 1962, which w have been considered aid to dependent children or aid to families dependent children, as the case may be, under a State plan app under title IV of the Social Security Act except that they were i in the form of payments for work performed by a relative with v a dependent child (as defined in section 406 or 407 of such Ac living, shall be deemed to have been made under a State plan app under title IV of the Social Security Act and to constitute to dependent children or aid to families with dependent chil as the case may be, if (1) such expenditures were made under c tions which meet the requirements set forth in section 409 of such (added by subsection (a) of this section), other than subparagraph (D) and (F) of subsection (a) (1) thereof and other than the req ment that the State agency (administering or supervising administration of such plan) be administering or supervising administration of the program under which such work s perfor and (2) at the time such expenditures were made, such State plan the requirements of paragraphs (1), (2), and (3) of section

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of the Social Security Act. The costs of administration of any such State plan may include, with respect to expenditures described in the preceding sentence, only such costs as are permitted in accordance with the provisions of subsection (b) of such section 409.

INCENTIVES FOR EMPLOYMENT THROUGH CONSIDERATION OF EXPENSES IN EARNING INCOME, AND PROVISION FOR FUTURE NEEDS OF DEPENDENT CHILDREN

Sec. 106. (a) (1) Section 2(a) of the Social Security Act³³ is amended by inserting before the semicolon at the end of subparagraph (A) of paragraph (10) "as well as any expenses reasonably attributable to the earning of any such income".

(2) Section 1002(a) (8) of such Act³⁴ is amended by inserting before the first semicolon "as well as any expenses reasonably attributable to the earning of any such income".

(3) Section 1402(a) (8) of such Act³⁵ is amended by inserting before the semicolon at the end thereof "as well as any expenses reasonably attributable to the earning of any such income".

(b) Section 402(a) (7) of such Act³⁶ is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination, the State agency may, subject to limitations prescribed by the Secretary, permit all or any portion of the earned or other income to be set aside for future identifiable needs of a dependent child;"

USE OF PAYMENTS FOR BENEFIT OF CHILD

Sec. 107. (a) Section 405 of the Social Security Act³⁷ is amended to read as follows:

"USE OF PAYMENTS FOR BENEFIT OF CHILD

"Sec. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b) (2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in the imposition of criminal or civil penalties authorized under State law if it is deter-

33. 49 U.S.C.A. § 302(a).
34. 49 U.S.C.A. § 1302(a) (8).
35. 49 U.S.C.A. § 1352(a) (8).

36. 49 U.S.C.A. § 602(a) (7).
37. 49 U.S.C.A. § 602.

currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505);¹ and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

LIMITATION ON FINANCIAL ASSISTANCE

Sec. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

DURATION OF PROGRAMS

Sec. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

TITLE V—WORK EXPERIENCE PROGRAMS

STATEMENT OF PURPOSE

Sec. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended,² and Vocational Education Act of 1963.³

PAYMENTS FOR EXPERIMENTAL PILOT, AND DEMONSTRATION PROJECTS

Sec. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315),⁴ subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)),⁵ in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall not, withstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title

¹ 42 U.S.C. § 2505.

² 42 U.S.C. § 2571 et seq.

³ 39 U.S.C.A. §§ 156a, 156b, 156c, 156d, 15-15a.

⁴ 42 U.S.C.A. § 1315.

⁵ 42 U.S.C.A. § 609(a) (1)–(6).

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AUTHORIZATION OF APPROPRIATIONS

Sec. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VI—ADMINISTRATION AND COORDINATION

PART A—ADMINISTRATION

OFFICE OF ECONOMIC OPPORTUNITY

Sec. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1335-3(b)),¹ at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

AUTHORITY OF DIRECTOR

Sec. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out

¹ 5 U.S.C.A. § 1335-3(b).

U. S. Comp. & Admin. News 64-39

JOBS, JOBS, JOBS

by James N. Adler*

During the recent election campaign the three most important issues were repeatedly identified as "jobs, jobs, jobs." And with good reason. Both intuition and social science research have demonstrated that idleness, even if cushioned by welfare or unemployment insurance, is a principal cause of a host of societal ills including family breakup and illegitimate births; mental and physical illness; gangs, crime and drug dependency.

Yet simple changes in federal welfare laws would permit states and communities to transform their welfare programs into jobs programs. Instead of subsidizing idleness, the current welfare program could finance hundreds of thousands of new public or private non-profit sector jobs without increased federal expenditures.

At the present time, the federal JOBS program mandates that recipients participate in a combination of remedial education, job training and work search components. Failure to comply can lead to termination of aid. While the intent was good, high costs and a slow transition have limited the

*James N. Adler is the Chair of the Los Angeles County Commission for Public Social Services and a partner in the law firm of Irell & Manella. The views expressed are those of the author and not those of DPSS or the Commission.

program's effectiveness. Additionally, the relatively few individuals involved continue to receive compensation in the form of a welfare check which reinforces negative self-concepts and perpetuates the image of the recipient as a beneficiary of public largess.

If the welfare program was reformed to provide a job rather than welfare - and a wage rather than a welfare check - the perception would change completely even if the amount of money paid to the recipient was exactly the same. This distinction is crucial. Many welfare applicants would hear, "You are in luck. There is a job for you. Congratulations!"

The number of hours to be worked each month would be determined by dividing an appropriate hourly rate into the present welfare stipend. In California, for example, the monthly welfare stipend of \$633 for a family of three could without any supplementation fund a 32 hour per week job paying \$4.57 per hour. Employment would be less than full-time so that the recipient would have time each week to search for a better job.

The kinds of jobs would be limited only by our imaginations. The possibilities include jobs in child care centers, headstart programs and schools, park and building maintenance, street and freeway cleaning, police vehicle and public transit maintenance, hospital and public shelter

laundries, interpreters in public agencies, walking beats in a neighborhood watch program, playing music in our parks or painting murals in our communities.

Governmental and non-profit agencies could submit proposals and compete for people on the basis of which jobs will provide the best training and the greatest opportunity for advancement into a regular job, much as they now submit budgets and compete for scarce dollars. Since the money to fund these jobs is already being spent through the welfare program, there need be little or no additional cost to the federal government for these jobs. Of course, public or non-profit local agencies would need to provide supervision and workers' compensation insurance, but in return they would receive "free" employees to perform needed public service.

This proposal is not unproven theory. In County of Los Angeles able-bodied, General Relief recipients are required to work off their grants. As a result, thousands of hours of work are performed each month by persons on GR, thus benefiting both themselves and our community. Of course, because so many welfare families are headed by a woman, child care is the key to a large scale jobs program. But could not mothers on welfare be employed as the core of community-based child care centers located in churches or other facilities which are not fully utilized during the work day?

Ideally, a modest monetary supplement would be available to those offered jobs through a program such as that described. And federal funding for workers' compensation benefits would substantially facilitate this process of job creation. But even if the current federal and state budget crises permit no supplementation, we should move forward with amendments which would permit the creation of real jobs by permitting the present welfare stipend to be paid in the form of a wage for work performed.

One need only look about our community to see how desperately we need additional public employment. Just as desperate is the need of those on welfare for constructive work experience and training. Marrying these two needs through the welfare program could significantly reform welfare and create hundreds of thousands of new, useful jobs.

**HOW TO CREATE JOBS WITHOUT SIGNIFICANTLY INCREASING FEDERAL
EXPENDITURES AND AT THE SAME RATIONALIZE MANY EXISTING
FEDERAL DOMESTIC PROGRAMS THROUGH JOBS CENTERS.**

by James N. Adler¹

THE PROBLEM:

- Millions of persons idle and without jobs.
- Countless federal and state programs which provide income or services to the poor.

A SOLUTION:

- Expand the role of the State Employment Services (all of which are federally subsidized through the Department of Labor) and computerize their data bases to create Job Centers.
- All persons in need of jobs (or income) would apply to Job Centers.
- The Jobs Centers would have a sophisticated method of inventorying each person's job skills, preferences and needs.
- The Job Centers would also seek to have employers register their job opportunities with the Job Center.
- The Job Centers' data bases would contain the eligibility requirements for all federal and state (and local?) programs to aid the poor or unemployed.
- If no regular private or public sector job match could be made, the Job Center's computer would determine the person's eligibility for available federal, state or other relevant program, such as:
 - unemployment insurance

¹Partner, Irell & Manella, Los Angeles, California.
Chair, Los Angeles County Commission for Public Social
Services. Formerly with the OEO, the U.S. Department of
Labor, the President's Appalachian Regional Commission and the
President's Task Force on the War Against Poverty (1961-65).

- welfare
 - food stamps
 - job training programs
 - educational scholarships
 - social security,
 - etc.
- If welfare was the only alternative, the computer would attempt to match the person with a community work project or training program. Ideally, the welfare payment would be made in the form of a wage (see my paper on "Why Welfare"). In this way, even persons eligible only for welfare would come out of the Job Center with a job.

WHAT MUST BE DEVELOPED:

- A sophisticated system for inventorying personal abilities, preferences and financial condition.
- An inventory of all state, federal and local opportunities with their eligibility criteria.
- Incentives to induce private and public employers to list all available job opportunities.
- Legislation (requiring little additional federal expenditure) to accomplish the returns described in the "Why Welfare" piece. This legislation would permit states to pay a person's welfare stipend in the form of a wage. Thus funding new, real jobs out of the existing welfare program.

SECONDARY BENEFITS:

- The information developed through such a program would help identify unmet needs, and should lead to simplifying and rationalizing existing programs and eligibility requirements.
- The basic expenditures need to make this program work are already being made. Thus, relatively little additional federal funding should be required.

**HOW TO INCREASE EMPLOYMENT ON PUBLIC WORKS PROJECTS
WHILE AT THE SAME TIME LOWERING FEDERAL COSTS**

by James N. Adler¹

THE PROBLEM:

- Present rules awarding contracts to the low bidder do not take into account the actual, average out-of-pocket cost to the federal government of each person who remains unemployed during periods of high employment.
- These costs accrue from expenditures such as those for welfare and extended unemployment benefits and from the absence of receipts from taxes.
- As a result, during periods of high employment, the lowest bidder may actually employ the fewest employees and have the highest total cost of the federal government.

AN EXAMPLE:

- Suppose two bids for a mile of highway in California where, because of high unemployment, each unemployed person annually costs the federal government an average of \$5000 (in welfare costs, supplemental unemployment insurance, lost tax revenue, etc).
- One bid is 1 million dollars (and will involve 50 person years of labor). (The actual cost to the government of this first bid is 1 million dollars less 50 times \$5000 dollars or \$750,000.)
- The second bid is 1.1 million dollars (but, because this contractor is using more labor

¹Partner, Irell & Manella, Los Angeles, California. Chair, Los Angeles County Commission for Public Social Services. Formerly with the OEO, the U.S. Department of Labor, the President's Appalachian Regional Commission and the President's Task Force on the War Against Poverty (1961-65).

intensive methods, will require 100 person years of labor). (The actual cost of this bid is 1.1 million dollars less 100 times \$5000 or \$600,000.)

- Clearly a Clinton administration should award the contract to the second bidder who will both employ 50 more persons and save the government \$150,000.

A SOLUTION:

- Build into legislation a requirement that the Department of Labor (or Commerce) publish periodically the actual cost (perhaps by state) to the federal government of an unemployed person.
- Revise bid rules to provide that in evaluating bids to determine which is lowest, contractors would be given a credit for each person year of employment.
- Note that this program does not involve giving the contractor tax or other credits which cost the federal government money. This program is simply designed establish a procedure which will more accurately reflect actual costs.



That Other Clinton Promise—Ending ‘Welfare as We Know It’

By Douglas J. Besharov

During his presidential campaign, Bill Clinton pledged “the end of welfare as we know it.” He promised to “provide people with the education, training, job placement assistance, and child care they need for two years—so that they can break the cycle of dependency. After two years, those who can work will be required to go to work, either in the private sector or in meaningful community service jobs.”

Now, as Mr. Clinton’s fledgling administration grapples with how to implement these words, key elements of the president’s liberal constituency are trying to water them down. Signs of this discord emerged at Donna Shalala’s confirmation hearings last month, when Democratic senators, noting how little she has said on the subject since being nominated, questioned her commitment to welfare reform. But even if Mr. Clinton’s choice to head the Department of Health and Human Services supports his welfare plan (as she has promised to do), her task, and Mr. Clinton’s, will be enormously difficult.

The bulk of long-term welfare recipients are unmarried mothers, most of whom had their first baby as unwed teenagers. These young mothers do not have the education, practical skills, or work habits needed to earn a satisfactory living. About half of all unwed teen mothers go on welfare within one year of the birth of their child; 77 percent go on within five years, according to the Congressional Budget Office. Nick Zill of Child

Trends Inc. calculates that 43 percent of welfare recipients on the rolls for ten years or more started their families as unwed teens.

Steady increases in unwed parenthood among ill-prepared young people pose the central challenge to contemporary efforts to fight poverty. It is within this context that the fight over how to implement Mr. Clinton’s promise will be waged.

Those recipients motivated to improve their lives, such as most divorced mothers, will probably do well under Mr. Clinton’s plan. But, to make a real dent in welfare dependency, the plan will have to apply to unwed mothers, who form the bulk of long-term welfare recipients.

That will not be easy. Years of inactivity leave their mark. Even in a strong economy, breaking patterns of behavior takes years. Richly funded demonstration programs, for example, find it exceedingly difficult to improve the ability of these women to care for their children, let alone to become economically self-sufficient. Earnings improvements in the realm of 6 percent are considered successes for poorly educated young mothers who have sporadic work histories. (Most programs don’t even try to do something with the fathers.)

California’s welfare-to-work program is a case in point. In 1985, the state established the Greater Avenues for Independence (GAIN) Program, an education and training project for welfare recipients. A six-county

evaluation found that, for single parents, average yearly earnings increased by only \$271. (Total yearly earnings averaged \$1,902.)

Thus, after two years of the services that Mr. Clinton would give welfare recipients, most unwed mothers will still not be able to support themselves. Imposing a work requirement on them would mean that a large proportion will end up in semipermanent "community service jobs," a euphemism for having them work to earn their welfare benefits (usually at the minimum wage).

The Clinton campaign estimated that about 1.5 million young mothers would be required to participate in such programs. Most will not come willingly, and many will drop out. The experience of teen-mother demonstration programs operated in Newark and Camden, N.J., and in Chicago between 1987 and 1991 suggests that, to maintain high levels of program participation, about half the mothers will have to be penalized with a reduction of benefits at least once.

This kind of "workfare" program, because of added costs for education and job training, child care (while the mothers work), and administration (to establish and monitor placements), is much more expensive than the current system, at least in the short run. Clinton staffers estimate that monitoring each job would cost \$2,100 annually; child care for the children of each mother mandated to work would add \$1,300. That's \$3,400 for overhead costs—about the same as the average Aid to Families With Dependent Children grant to families.

Strong opposition to Mr. Clinton's proposals is already forming. The welfare policy establishment has never liked strong work requirements that force poor mothers to work at very-low-paying jobs, even if only part-time. Efforts to impose work requirements during the Nixon and Carter years were derailed by labeling them as "slavefare." Such arguments strike a responsive chord among some Americans.

Moreover, many real questions remain unanswered about instituting a nationwide

workfare program: Can welfare agencies enforce work requirements without being overly punitive? What about those recipients who are prevented from responding because of psychological problems or drug and alcohol addiction? Will they be permanently penalized, or, as some have suggested, will they be exempted from work because of their "disabilities"? Can we avoid the meaningless, make-work jobs of the past, or will this simply be CETA II? Can adequate child care be provided for millions of children? And, most important, can all this be done in a way that ultimately reduces caseloads—rather than increases them?

These tough questions call for caution in pursuing Mr. Clinton's promise, not a wholesale retreat from it. The temptation, of course, will be to exempt the most dependent: young unwed mothers. The opening would be his phrase "those who can work will be required to go to work." It would be easy to say that mothers with young children cannot work. This would be a mistake.

First, a work requirement is one of the best ways to reduce the attraction of welfare for young people with poor earnings prospects. If young people know that the welfare agency is serious about mandating work, they will be less likely to view long-term AFDC-recipientcy as a possible life option.

Second, mandated community service may be the only way to build the job skills and work habits of those who cannot support themselves in the regular job market. Inactivity is bad for everyone; it can be devastating for those loosely connected to the labor market. Child abuse, drug abuse, and a whole host of social problems are associated with long-term welfare dependency. A work requirement will help to reduce their levels.

The problems of some young mothers will prevent them from satisfying even this minimal obligation. These young people may need a modern version of the 19th century settlement house, where counseling, education, and other activities to structure otherwise idle time are all provided under one roof. The base for such a program could be

the expanded Head Start program that everyone seems to support. Head Start professionals call this approach "two-generational" programming.

Those young people who had a child out of wedlock—with no means to support it and largely unprepared to care for it—have demonstrated that, on their own, they do not make the wisest decisions. Their lives desperately need the structure that only the larger society can provide. Participation mandates

such as those Mr. Clinton has proposed could end welfare as we know it—for the good of society, the children, and, yes, the mothers.

[from the *Wall Street Journal*, January 18, 1993]

Douglas J. Besharov is resident scholar at the American Enterprise Institute and author of *Recognizing Child Abuse: A Guide for the Concerned* (Free Press, 1990). Amy Fowler of AEI helped prepare this article.

1993 - # 4



Bad Lessons

By Charles Murray

President Bill Clinton is right to make education a top priority. He is wrong in his understanding of what needs fixing. Not one of his main educational policies—increased loan assistance for college students, national educational standards linked to Federal aid, and more job retraining—addresses the problems we are facing.

Here are some propositions that Mr. Clinton and Richard W. Riley, his secretary of education, should look into:

Giving qualified students a chance at college is something we already do well. More than three-quarters of the nation's top students already go to four-year colleges. The number of top students who don't go to college because of lack of money is minuscule. It is fine to make it possible for every qualified student to go to college, but there is not much room for improvement. If Mr. Clinton's loan plan succeeds in significantly expanding enrollment, it may well damage university education: campuses will be flooded with still more students who are not ready for college-level material. That this view is elitist does not make it wrong.

National standards cannot be high standards. Mr. Clinton's desire for high standards in elementary and secondary schools is appropriate. But powerful lobbies important to his election, among them the National Education Association and the NAACP, oppose standards high enough to cause large numbers of teachers and students to fail, and ultimately improve. Inevitably, national standards will be glorified minimum competency exams. To tie the Federal financing to

these exams would push schools still closer to the speed of the slowest ship in the convoy.

Retraining isn't the problem: retrainability is. Advancing technology is making it easier, not harder, for companies to retrain workers. Moreover, public schools are not doing a worse job teaching basic academic skills. National test data indicate that the average American child reads, writes, and does arithmetic as well as he or she did in the 1950s.

The real failure in U.S. schools for the average and below-average student has been in socializing them to adult behavior. Old-fashioned public schools prepared students for the workplace by teaching them to come to the same place every day, stay there for a prescribed number of hours, and follow the teacher's (boss's) instructions, even if they didn't feel like it. This training in how to be a good worker was especially important for children who grew up in disorganized homes.

In many schools, particularly those in urban areas, this socializing function no longer exists. How can it be restored? Rethinking student rights would be a start. Maybe public boarding schools could have a role. The apprenticeship programs Mr. Clinton endorses for other reasons might help, too. The answers are tough, but at least the new administration can begin focusing on the right questions. For many children, schools are their only chance to learn how to be adults companies can train—and retrain.

Education has gone downhill academically—for the gifted. Achievement among the best students fell substantially during the

1960s and 1970s. Their math scores recovered somewhat during the 1980s, but verbal scores did not. This means that deterioration has been most pronounced in the reasoning and analytic skills crucial to the development of intellectual creativity and judgment. Our best students may go to college in large numbers, but they arrive much more poorly developed than their counterparts of thirty years ago. Meanwhile, programs for the gifted languish or disappear altogether.

If Mr. Clinton and Mr. Riley determine that these are accurate statements, here are

some challenges to put to his advisers: Stop proposing solutions for things we do well. Start thinking about what preparation students really need to become productive workers. Pay more attention to the education of the thin layer of gifted who, like it or not, will determine whether we remain the world's preeminent nation in the 21st century.

[from the *New York Times*, January 8, 1993]

Charles Murray is resident scholar at the American Enterprise Institute.

1993 - # 5



That Other Clinton Promise—Ending ‘Welfare as We Know It’

By Douglas J. Besharov

During his presidential campaign, Bill Clinton pledged “the end of welfare as we know it.” He promised to “provide people with the education, training, job placement assistance, and child care they need for two years—so that they can break the cycle of dependency. After two years, those who can work will be required to go to work, either in the private sector or in meaningful community service jobs.”

Now, as Mr. Clinton’s fledgling administration grapples with how to implement these words, key elements of the president’s liberal constituency are trying to water them down. Signs of this discord emerged at Donna Shalala’s confirmation hearings last month, when Democratic senators, noting how little she has said on the subject since being nominated, questioned her commitment to welfare reform. But even if Mr. Clinton’s choice to head the Department of Health and Human Services supports his welfare plan (as she has promised to do), her task, and Mr. Clinton’s, will be enormously difficult.

The bulk of long-term welfare recipients are unmarried mothers, most of whom had their first baby as unwed teenagers. These young mothers do not have the education, practical skills, or work habits needed to earn a satisfactory living. About half of all unwed teen mothers go on welfare within one year of the birth of their child; 77 percent go on within five years, according to the Congressional Budget Office. Nick Zill of Child

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Those recipients motivated to improve their lives, such as most divorced mothers, will probably do well under Mr. Clinton’s plan. But, to make a real dent in welfare dependency, the plan will have to apply to unwed mothers, who form the bulk of long-term welfare recipients.

That will not be easy. Years of inactivity leave their mark. Even in a strong economy, breaking patterns of behavior takes years. Richly funded demonstration programs, for example, find it exceedingly difficult to improve the ability of these women to care for their children, let alone to become economically self-sufficient. Earnings improvements in the realm of 6 percent are considered successes for poorly educated young mothers who have sporadic work histories. (Most programs don’t even try to do something with the fathers.)

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scornfully dismiss “supply-side” economics, but they are profoundly committed to “supply-side” politics—the politics of “unmet needs,” a category that is constantly expanding. Also expanding, of course, are the official bureaucracies and those “helping” professions that cope with those “needs.”

To counter the crisis that liberalism is provoking in our society, conservatism has to rediscover and reaffirm its attachment to its three traditional pillars. A reaffirmation of the goal of economic growth should not be difficult. It is becoming even more widely appreciated that economic growth is crucially dependent on the ability of “economic activists” to invest and innovate. Just as political activists, spurred by political ambition, are at the heart of liberal public policy, so economic activists, spurred by economic ambition, are at the heart of conservative economic policy. It is they who promote the growth that pacifies egalitarian and redistributive appetites. There is still an influential segment of “old conservatives” who do not understand that a pro-entrepreneurial emphasis in economic policy is not simply a “pro-business” policy. But they are gradually fading away.

Similarly, an affirmation of the national spirit is practically inevitable, as the liberal internationalism that has defined American foreign policy since the days of Woodrow Wilson continues to unravel. The United States will surely want to, and will need to, remain an active world power, but this activity will not be within the confines prescribed by the United Nations or NATO or whatever. In this post-cold war era, those organizations are on their way to becoming moribund. Nor

are we about to engage in some kind of benign humanitarian imperialism—except in very special circumstances, decided case by case. A nascent nationalism will be accompanied by a nascent neo-realism in foreign policy. This is something that most conservatives have long wished for.

Embracing the Religious

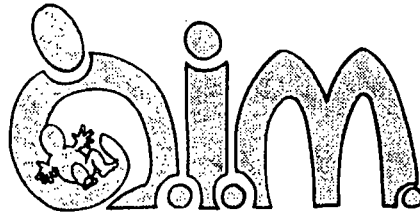
Coping with a religious revival, however, is something that conservatives and the Republican Party are not yet prepared for. Religious people always create problems since their ardor tends to outrun the limits of politics in a constitutional democracy. But if the Republican Party is to survive, it must work at accommodating these people. In a sense, the influx of the religious into American politics is analogous to the influx of European immigrants into our urban centers between 1870 and 1914. They created many problems, but the Democrats welcomed them while the Republicans shunned them. That was the origin of the “natural” Democratic majority.

The Democrats are never going to be able to welcome the religious, but if the Republicans keep them at arm’s length instead of embracing them, and shaping their political thinking, a third party and a restructuring of American politics are certain. One way or another, in the decades ahead they will not be denied.

[from the *Wall Street Journal*, February 1, 1993]

Irving Kristol is John M. Olin Distinguished Fellow at the American Enterprise Institute.

1993 - # 6



Advocates For Infants and Mothers, Inc.

February 5, 1993

Executive Director
Loretta Commodore

Secretary
Ruby M. Van Croft

Treasurer
James L. Wright

Media Director
Dari Giles

MEMBER ORGANIZATIONS

Women's Missionary Society,
Washington Conference
African Methodist Episcopal Church

DELTA PHI Chapter of
ALPHA PI CHI Sorority, Inc.

Northern Virginia Chapter
Coalition of 100 Black Women

Ruth Chapter #8, O.E.S.

Lawyers Committee for
Civil Rights Under Law

To: Bruce Reed, Deputy to the President

From: Loretta Commodore, *LC*
Founder and Executive Director
Advocates for Infants and Mothers Inc.

Subject: Welfare Reform Commission

This memo is a follow-up to a conversation with Cathy Mays in your office earlier this week. At that time, Ms. Mays suggested I make my interest in the President's Welfare Reform Commission known in writing.

Back in early 1989, a group of civic-minded citizens got fed up with nightly reports of tiny, crack-addicted infants being abandoned in hospitals around the country. We discovered that there were three major causes of this phenomenon: a breakdown of the family unit, lack of community support, and an epidemic of crack-cocaine devastating our communities.

The time had come for us, as citizens, to do our part in assisting the government in finding solutions to this social ill. We organized Advocates for Infants and Mothers, Inc., (AIM), a nonprofit organization of committed citizens who remember when extended family support was offered by neighbors, friends and relatives, and acted as a safety net for children and families at risk.

AIM's goal is to re-establish this extended family support system into our community through organizing and recruiting other concerned citizens who feel a responsibility to see that all children have the opportunity to grow into productive adults, and who are able to help

P.O. Box 33043
Washington, D.C. 20033-0043
(202) 296-8968

strengthen at-risk families. We firmly believe that any successful social reform will require partnership between government and community.

Through an ongoing telemarketing effort targeted toward middle-income professionals, many of whom work in child care and social service, individuals, organizations and churches have already come together in this commitment: to form an extended family for abandoned, abused and neglected children and disadvantaged families.

In June 1991 I testified, on AIM's behalf, before the Human Resources Subcommittee of the House Ways and Means Committee in support of the Family Preservation Act of 1991, and have been asked to submit AIM's proposal on re-establishing the extended family support system into our communities. The proposal includes an innovative alternative method for recruiting foster care parents and caring for out-of home-placement children; job-, parenting-, and life-skill training of welfare mothers, and a mentorship program for foster care families.

AIM members are putting in place a system that can lend support to social reform, and would like to have input into the President's Welfare Reform Commission and its recommendations.

Thank you for your consideration. We look forward to hearing from you at your earliest convenience.

ADVOCACY GROUPS



February 10, 1993

Family Service America, Inc.

Jan Severson
Chairman
James B. Carson, Jr.
Vice Chairman
Jack R. Childs
Vice Chairman
Jane R. Thomas, Ph.D.
Vice Chairman
Alloe E. Stokes
Secretary
Glen M. Rosenthal
Treasurer
Geneva B. Johnson
President and
Chief Executive Officer

Bruce Reed
Assistant to the President
Office of Domestic Policy
The White House
Washington, DC 20500

Dear Mr. Reed:

At Shirley Sagawa's suggestion, I am contacting you to let you know about a very important conference we are hosting here in Washington on March 19-20 at the Holiday Inn Crowne Plaza at Metro Center. Entitled a "National Conference on Public Policy and Its Impact on American Families," it is intended to be the first of what we expect to be an annual function to explore, weigh, and interact on policy alternatives in domestic issues that have a direct impact on families.

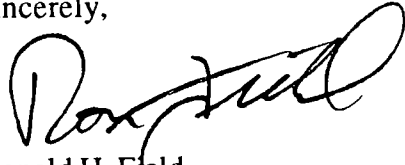
Family Service America (FSA), founded in 1911, is an international nonprofit organization headquartered in Milwaukee, Wisconsin dedicated to strengthening family life in all its forms through services, education, and advocacy. With our sectarian and nonsectarian member agencies, we constitute the oldest and largest network of community-based family counseling and support services in North America, serving more than 3.2 million people annually in over 1,000 communities with 11,000 professionals and 10,000 volunteers. I direct our public policy operations from an office here in Washington (three blocks from the White House), and am one of the many people you met at transition meetings before the inauguration.

Because many of our member agencies exist in urban areas and are deeply involved in caring for urban families, we have invited HUD Secretary Cisneros to be the conference keynote speaker (see enclosed copy). I believe it presents an excellent opportunity for a key member of the Clinton team to help set the stage for family policy for the '90s. Because we would like to help the administration succeed in its efforts to strengthen families, any assistance you could give in securing the Secretary or another appropriate member of the administration's team for this speech would be most appreciated.

As you can see in the enclosed brochure, the conference workshops will focus on four large areas of major interest to the Clinton Administration: health care reform, education reform and its coordination with comprehensive human services for vulnerable children and their families, welfare reform, and housing and urban revitalization. Because of their timeliness in terms of Washington policy discussions, it would seem appropriate for a policy person representing the administration to be part of the panel at each of them. Please note: unlike the preliminary conference agenda in the brochure, the workshops will run only once, but be split between morning and afternoon. The morning sessions will be Health Care Reform and Housing and Urban Revitalization; the afternoon sessions will be Education Reform and Welfare Reform. Each will have a panel of four people to represent different perspectives. Again, any help or suggestions you or your office can give would be much appreciated.

I would be happy to meet with you or to discuss this further by phone. I can be reached at (202) 347-1124. Thanks in advance and best wishes for your success.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Field", written in a cursive style.

Ronald H. Field
Senior Vice President
Public Policy



Family Service America, Inc.

February 8, 1993

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**The Honorable Henry Cisneros
Secretary of Housing and Urban Development
451 Seventh Street, SW
Washington, D.C. 20410**

Dear Mr. Secretary:

On behalf of the Board and members of Family Service America, Inc., I want to invite you to be the keynote speaker for our "National Conference on Public Policy and Its Impact on American Families" on March 20 at the Holiday Inn Crowne Plaza Hotel at Metro Center in downtown Washington. As you can see in the enclosed brochure, the keynote address is scheduled to be part of the opening breakfast plenary that morning at 8:30.

Family Service America (FSA), founded in 1911, is an international nonprofit organization dedicated to strengthening family life in all its forms through services, education, and advocacy. With our sectarian and nonsectarian member agencies, we constitute the oldest and largest network of community-based family counseling and support services in North America, serving more than 3.2 million people annually in over 1,000 communities with 11,000 professionals and 10,000 volunteers. In Texas, fifteen member agencies serve the state with multiple offices throughout. Among them are the Family Service Association of San Antonio and Jewish Family Service, both of which serve greater San Antonio and Bexar County and vicinity.

This first annual policy conference for FSA is part of our revitalized public policy program aimed at improving federal and state policy considerations and decisions that impact families. These would include such areas as safe and affordable housing, urban revitalization, education, job training, human services, tax and fiscal policies, health and mental health care, employment opportunities, and workplace policies that affect family life. In other words, all those things that contribute to a family's ability to better care for itself and each family member, whatever the makeup. FSA believes that in strengthening families we strengthen America.

This, therefore, presents a special opportunity for a key member of the President's team to help set the stage for family policy for the '90s. We would be especially pleased if you would be that member, and if you would do so by addressing family issues in the context of the cities and the kind of changes you and the Clinton Administration want to accomplish to make them better places for families to live and work. Representatives of our international network and of the larger human service community nationwide will be on hand to participate in this conference and would be eager to hear your remarks. (Of course the news media is invited, too.) I hope you can accept.

Enclosed are some informational materials about FSA and our work along with a preliminary brochure about the conference. Please feel free to have your office contact me here in Washington at (202) 347-1124 for additional information and confirmation plans. We look forward to the possibility of your being a major part of our policy conference and to working with you and the administration on behalf of America's families in the years ahead.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Field', with a large loop at the start and a long horizontal stroke extending to the right.

Ronald H. Field
Senior Vice President
Public Policy

cc: Bruce Reed
Shirley Sagawa



FAMILY SERVICE AMERICA, INC. OFFICE OF PUBLIC POLICY FACT SHEET

What is FSA?

Founded in 1911, Family Service America (FSA) is an international nonprofit organization, headquartered in Milwaukee, Wisconsin, dedicated to strengthening family life in all its forms through services, education and advocacy. With our member agencies, we constitute the largest network of community-based family counseling and support services in North America, serving more than 3.2 million people annually in over 1,000 communities with 11,000 professionals and 10,000 volunteers.

How does FSA promote policies for families?

The public policy work of FSA is carried out through its Office of Public Policy in Washington, D.C. It is directed by a FSA Board committee on public policy, which has established the following priorities for the 103rd Congress:

- 1) High quality education and job training as well as comprehensive human services for students and their families;
- 2) Tax and fiscal policies that strengthen family economic viability;
- 3) Affordable and safe housing and neighborhoods for all American families;
- 4) Affordable and accessible family-centered health and mental health care for all Americans;
- 5) Employment opportunities and workplace policies that are supportive of family life.

Also, because our agencies provide direct services to families, we actively support ongoing efforts to promote and enhance the work of the nonprofit sector, family preservation, proper nutrition for children and their families and prevention and rehabilitation for substance abuse and family violence. Whether in these or the priorities listed above, FSA can be of real assistance in providing research and other information resources, professional expertise, and policy services for the development and processing of legislation, family-related regulations, and other policy instruments.

What does the FSA network do and what are its areas of expertise?

FSA member agencies are nonprofit service organizations governed by volunteer citizens from their communities. The membership includes accredited sectarian and non-sectarian organizations.

(over)

What does the FSA network do... (continued)

The FSA network of agencies assists individuals and families in the areas of:

- marital difficulties
- parenting
- drug and alcohol dependency
- AIDS
- teenage pregnancy
- elder care
- child care and development
- adult day care
- family violence
- displaced workers
- school-family relations
- family economics
- employment difficulties
- homemaker services
- homelessness
- home health aide
- adoption and foster care
- other complex problems affecting the foundation of family life

How does FSA support its member network and its federal-state policy work?

FSA supports its member network and its federal-state policy work with

- the Severson National Information Center, which functions as a national clearinghouse on family issues and “state of the art” services to families
- research reports on shifting social trends and their effects on family and community life
- national programs to represent common interests before government agencies and to communicate the network’s concerns and achievements through the mass media in North America
- publication of the prestigious professional journal *Families in Society* and book manuscripts for the family practice field
- technical assistance to increase local agency capacity to develop innovative programs that serve families and to improve clinical and management practices
- national and regional training programs, conferences, and seminars for professional and volunteer leadership
- National Services to Working Families, which develops employee assistance and managed care programs with national corporations for their employees worldwide, including the 50 states, Canada, Guam, and Puerto Rico

How is FSA governed?

FSA is governed by an international volunteer Board of Directors composed of distinguished corporate, professional and community leaders from throughout the United States and Canada.

How can you use FSA’s policy services?

Contact the FSA Office of Public Policy for research, information, or policy staff services at (202) 347-1124.

Conference Agenda

Family Service America, Inc.

Founded in 1911, FSA is an international nonprofit organization headquartered in Milwaukee, Wisconsin, dedicated to strengthening families in all their forms through services, education, and advocacy. As the oldest and largest network of community-based family counseling and support services in North America, FSA believes that strong public policy positions and a well-organized advocacy program are essential to carrying out its mission to strengthen and protect American families. The *Family Agenda*, adopted by the Family Service community at its biennial meeting, serves as the basis for the development of FSA policies to support families. FSA's Office of Public Policy is located in Washington, D.C.

The Conference

The purpose of the National Conference on Public Policy and Its Impact on American Families is to explore timely policy issues that directly affect the well-being of all families. Because these are issues of current interest to federal and state governments, they present an opportunity to learn more about them by engaging in dialogue with those who help make policy, to offer ideas and suggestions for the resolution of these policy concerns, and to network with others in the human service community who share an interest in advocating for America's families.

Who Should Attend?

Anyone associated with Family Services or related agencies and organizations, whether CEO, staff, or volunteer, should find this conference a valuable experience.

Friday, March 19, 1993

- 12 Noon - 6:00 p.m. On-Site Registration
- 1:30 - 4:00 p.m. Advocacy Workshop
- 1:30 - 4:00 p.m. State Council Meeting
- 5:30 - 7:00 p.m. Special Reception

Saturday, March 20, 1993

- 7:30 a.m. - 1:30 p.m. On-Site Registration
- 8:30 - 10:00 a.m. Opening Breakfast
Plenary with
Keynote Speaker
- 10:15 - 11:45 a.m. Issue Workshops
 - Health Care Reform
 - Education Reform
with Comprehensive
Human Services
 - Welfare Reform
 - Housing & Urban
Revitalization
- 12 Noon - 1:30 p.m. Plenary Luncheon
with Speaker
- 1:45 - 3:15 p.m. Repeat Workshops
- 3:30 - 5:00 p.m. Closing Plenary with
discussion and
recommendations for
renewing the *Family
Agenda*
- Open Evening

Policy Conference Registration

- Please complete this form and return with
- payment to :
- Conference Registrar
- Family Service America, Inc.
- 11700 W. Lake Park Drive
- Milwaukee, WI 53224

- Please print or type - one form per
- attendee. (Form may be duplicated.)

- _____
- Name
- _____
- Name as it should appear on name badge
- _____
- Title
- _____
- Agency/Organization
- _____
- FSA Member Agency # (located in FSA
- directory)
- _____
- Address
- _____
- City/State/Zip
- _____
- (_____) _____
- Telephone
- _____

Registration Fees

If received on or before February 19

FSA Member/Affiliate: \$150 _____

Other Nonprofit: \$175 _____

Other Private Sector: \$250 _____

If received after February 19 and on-site

FSA Member/Affiliate: \$175 _____

Other Nonprofit: \$200 _____

Other Private Sector: \$275 _____

Total Amount Enclosed\$ _____

**No Refunds after
February 19, 1993**

The Holiday Inn Crowne Plaza Hotel at Metro Center is located in downtown Washington, D.C. at 12th and H Streets, Northwest, one-half block from the 12th and G Metro Center access to the Metro subway system. You can get to the hotel by Metro from National Airport, or by taxi or Airporter bus/limo service from National, Dulles International, or Baltimore-Washington International airports. Also, special train service is available to Washington's Union Station from BWI. The Metro is available from Union Station to Metro Center.

Please return the accompanying hotel reservation form to the Crowne Plaza Hotel no later than February 19, 1993. The hotel cannot guarantee a conference-rate room after that date.

For further information please contact Ron Field at (202) 347-1124.

**THE BOARD OF DIRECTORS OF
FAMILY SERVICE AMERICA, INC.
AND ITS COMMITTEE ON
PUBLIC POLICY
INVITES YOUR
PARTICIPATION IN A**

NATIONAL CONFERENCE ON PUBLIC POLICY AND ITS IMPACT ON AMERICAN FAMILIES



MARCH 19-20, 1993

**HOLIDAY INN CROWNE PLAZA
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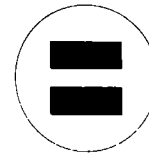
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National Urban League, Inc.

Washington Operations
1111 14th Street, N.W., 6th Floor
Washington, D.C. 20005-5603
Telephone (202) 898-1604

February 11, 1993

Bruce Reed
Deputy Assistant to the President
for Domestic Policy
Old Executive Office Building
Room 216
Washington, D.C. 20500

Dear Mr. Reed:

In light of President Clinton's recent announcement that he is appointing a task force on welfare reform, the National Urban League requests that we be included among the non-governmental experts that will be consulted. Poverty, unemployment, and welfare reform issues are not new to the Urban League. Through our many years of work within communities, we have obtained first hand experience at identifying and meeting social service and economic needs of primarily poor individuals and families, particularly in areas related to education, job training and employment placement.

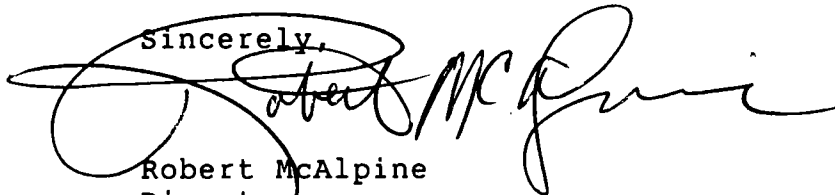
As you may know, the National Urban League played a key role during the legislative process that led to the 1988 Family Support Act (FSA). Since passage of FSA, the Urban League conducted "Focus Group Sessions" on the Act in five of our affiliate cities as a means of ascertaining recipients' perception of welfare and to assess what means are necessary to get off and stay off assistance.

Bruce Reed
February 11, 1993
Page 2

The National Urban League was founded in 1910, and is the premier social service and civil rights organization in America. The League is a nonprofit, community-based organization with 112 affiliates in 34 states and the District of Columbia. The mission of the National Urban League is to assist African Americans in achieving social and economic equality. The League implements its mission through advocacy, bridge building among the races, program services, and research.

We look forward to hearing from you and working with the Presidential welfare reform task force.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert McAlpine". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Robert McAlpine
Director
Policy and Government Relations
Washington, D.C.

RMC:sb



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Ms. Carol Rasco
Assistant to the President for Domestic Policy
Domestic Policy Council
The White House
Washington, DC 20500

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February 11, 1993

Ms. Carol Rasco
Assistant to the President for Domestic Policy
Domestic Policy Council
The White House
Washington, DC 20500

Dear Ms. Rasco:

I read with great interest President Clinton's remarks on welfare reform given at last week's National Governors' Association Winter Session, and am very pleased that the President shortly will establish an inter-agency welfare reform working group that will seek the advice of state and local leaders from business, government and labor who care about this issue.

Since business surely is a key player in welfare reform and NAB is the principal business organization concerned with human resource development issues, I want to offer our services to the welfare reform working group.

As you know, the Alliance has been working with business and government since 1968 to provide training and jobs for the nation's economically disadvantaged adults and youth. We have been active in the welfare reform area since the early 1980's when we urged local private industry councils to coordinate their employment and training planning with state and local welfare initiatives.

In 1987, as you know, we were privileged to hear from Governor Clinton at our 19th Annual Conference on the work he was doing in Arkansas on welfare reform. The next year, Governor Mike Castle spoke at our 20th Annual Conference on this subject, highlighting the governors' efforts to generate support for the Family Support Act of 1988.

For the last two years, we have worked closely with the Departments of Health and Human Services, Labor and Education to provide training and technical assistance to state and local welfare program professionals involved in the Job Opportunities and Basic Skills Training Program (JOBS). We have conducted workshops and conferences to help JOBS administrators in all 50 states effectively coordinate the myriad services which can be used to service JOBS program welfare recipients as they are provided training for entry into the workforce.

Ms. Carol Rasco
February 11, 1993
Page 2

As a result of our work in the welfare reform area, we have identified several very important elements that contribute to successful welfare-to-work programs:

- o Strong coordination of component programs around clear goals geared to the special needs of welfare clients.
- o Clear input from local business regarding labor market needs.
- o Well-coordinated delivery systems for child care and transportation.
- o Timely and regular involvement of participants in component services.
- o Individualized treatment of, and services for, participants.

Understanding the welfare system as we do and the need to generate greater business support for and involvement in the Administration's welfare reform initiative, we believe we are in the best possible position to represent the nation's private employers in the welfare reform discussion.

We look forward to working with you and the Administration in carrying out this important program.

Sincerely,

A handwritten signature in black ink, appearing to read "W. H. Kolberg", with a long, sweeping horizontal stroke extending to the right.

William H. Kolberg
President and CEO

cc: Alexis Herman



AMERICAN PUBLIC WELFARE ASSOCIATION

A. Sidney Johnson III, Executive Director

3/26/93

Dear Kathy.

Thank you again for speaking
to our APWA meeting.

You were great!!

I'm attaching Celinda
Lake's phone number, resume and a
memo on her key points. She is
outstanding.

Warm regards,

Asid



Celinda Lake

Celinda Lake is Partner and Vice President of Greenberg-Lake: the Analysis Group. Lake is one of the Democratic Party's leading political strategists, serving as a tactician and senior advisor to the national Party Committees, dozens of Democratic incumbents and challengers at all levels of the electoral process, and democratic parties in several Eastern European countries. Her most recent areas of concentration have been the changing politics of the Western states, health care in the 1990's, children as a political issue, and the environmental movement today.

Lake is one of the nation's foremost experts on electing women candidates and on framing issues to women voters. American Politics called Lake a "super-strategist or, better yet, the Godmother" and Working Woman says she is "arguably the most influential woman in her field." In this past election cycle, Lake served as pollster for many women candidates at all levels of government, including the historic victory of Carol Moseley Braun, who is the first African American woman to be elected to the United States Senate.

Greenberg-Lake's victories this cycle also included that of President-elect Bill Clinton. Lake oversaw the focus group research for the Clinton/Gore Campaign during the General Election and served as a general consultant throughout the campaign. Other big wins included that of Mike Lowry, who will become the next Governor of Washington State, and over a dozen congressional victories.

Prior to joining Greenberg-Lake, Lake was Political Director at the Women's Campaign Fund. She has also been Research Director at the Institute for Social Research in Ann Arbor, Michigan and Policy Analyst for the Subcommittee on Select Education. In 1984, she was Chief Analyst on the polling team at Peter Hart Research, Inc. for the Mondale/Ferraro campaign. Lake is the author of Public Opinion Polling: A Manual for Public Interest Groups, published in 1986.

Lake, a native of Montana and one of the political world's most avid white water rafters, holds a masters degree in Political Science and Survey Research from the University of Michigan at Ann Arbor, and a certificate in political science from the University of Geneva, in Geneva, Switzerland. Lake received her undergraduate degree from Smith College in Massachusetts.



AMERICAN PUBLIC WELFARE ASSOCIATION

Kevin W. Concannon, President
A. Sidney Johnson III, Executive Director

Excerpt from --

Summary of
Task Force on Self-Sufficiency Meeting
February 14 and 15, 1993
Washington, DC

The discussion moved to Celinda Lake's presentation about polling data on welfare. She would ban the word welfare if she could due to adverse reactions of voters--40% say too much is spent. 40% also think "children's programs" mean welfare. Race is "front and center" in opinions. The public thinks the U.S. has just come through a serious recession: one-third call it a depression; one-quarter believe it is likely to affect us next year. Therefore, programs helping people in trouble would have support, but people do not think welfare would help them. Further, they absolutely do not believe programs work. Society agrees that paying now to save later is good, if it would put people to work; if programs worked, they would be willing to pay for them.

The middle class feels left out: 94% of the public says it is middle class; among African-Americans, 74% say they are middle class. It is a state of mind. People feel America is deeply in trouble: 23% say their kids will not be as well off as they are; 50% say their retirement will not be as good as their parents', and they already fear for their parents'. People think their kids face problems such as drugs by age six. The middle class feels it has been

playing fair, and that the top and bottom have not so should now sacrifice. ("Sacrifice" means taxes; "middle class" means values.)

Overall, it is easier to pass policies that have enemies, such as health and the insurance and pharmaceutical companies. With welfare, there is no real enemy except recipients. The disconnects with welfare are: (1) Values more than benefit levels--people do not feel policy rewards work or values responsibility. Requiring work is popular; the twist is it's expensive. People are not opposed to safety nets, but to a way of life. When the dialogue is moved away from race, African-Americans do not like welfare either. (2) Regarding health care, people worry about it more than anything, and resent that people on welfare are assured health benefits when working people are not. (3) We need to put a face on welfare, as was done with the homeless: people do not know who welfare recipients are and refute the real numbers. People think no one ever gets off welfare and that there are no success stories. (6) People support programs that focus on "poor people"--42% say too much and 23% say too little is spent on welfare, while 7% say too much and 60% say too little is spent on the poor.

We need a major change in the public dialogue. We need to: (1) include values that people share, i.e., "work"; (2) understand the problems of the middle class; they must believe programs will help their family; (3) tell success stories, such as JOBS graduates, kids' successes (i.e., graduating), families staying together, and families caring for aging parents; (4) develop services that are substantive, such as education and job training; (5) be careful about defining the enemy, i.e., the middle class; and (6) understand the traps, not just the opportunities--people want more than safety nets, they want a major revamping of the system. We have to admit mistakes to co-opt the mood, not confront it.

Time-limited benefits are extremely popular with the public because people feel a time limit forces accountability by making people work. Two years, however, was not a "magic number" with the public. In fact, people thought two years was too short and inflexible. People want change, but do not appreciate costs. (The administration is struggling with this now.) People have no awareness of the Family Support Act, and do not believe it exists. If it were passed today, it would meet expectations. The mood is not punitive, but demanding accountability. People like the obligation and transitional pieces of a welfare proposal, and like CCC-types of jobs programs, but are not knowledgeable about supportive services. The single most popular policy ever tested was child support. Women love it, and men like it almost as much. Young blue collar men like the policy but hate the term "deadbeat dad." Celinda has not tested CSA. People like the idea of a tax credit for kids. The only tax people want to pay is social security, because of the payback involved.

Regarding the "deserving" versus "undeserving" poor, people support the "deserving" elderly and working poor; children are "innocent"; others in poverty are not responsible and should be. When asked who needs help with health care, 42% said seniors, some 20% said Native Americans, and 6% said kids. No one thinks kids' health care is a problem.

Celinda said she has not tested much on the EIC, but would like to. It is easier to credit people than "give" them something, and it helps that the EIC benefits those who are working.

Celinda said people are willing to intrude into privacy, supporting immunizations, a family cap, and mandatory Norplant (50% supported Norplant after three kids on welfare). People think only the religious and welfare-dependent have large families now, believing welfare families on average have six kids. Most noncollege-educated working women under 50

believe women should return to work right after childbirth; it is a class issue. People want to reward responsible and inhibit irresponsible behavior. They do not have a positive view of welfare families. They believe they lack effort, do not work hard anywhere, and waste time watching television. Universal health care will greatly alleviate the feeling of inequity; the big concern is not for the 35 million people without health care, but for one's own health expenses. People are not aware of child care subsidies.

MEMORANDUM March 2, 1993

To: Self-Sufficiency Task Force Staff

From: Kathy

Re: Carnegie Task Force Polling Panel 2/22/93

The following points may be useful in shaping the task force recommendations. This is not an exhaustive set of notes; rather, it's the things I want to remember.

- **Celinda Lake:** In advocating for children, we often suggested the costs are minimal; if there's no cost, there's no value. You have to cast proposals as a fundamental change issue.
- Issues, she said, also lack urgency and immediacy. Theoretical to much of the public. Six out of 10 households do NOT have kids. In contrast to other kids' issues, drugs has saliency because there's a sense that issue affects everyone.
- Re health care: there's no sense that kids have unmet needs. When asked who needs health care, 42% say seniors; 34% say adults; 15% say Native Americans; 9% say kids.
- Talking about kids, need to be "clear and aggressively broad-based" (Celinda again) Address all kids, not just poor kids. People cast issues as "poor kids or MY kids?"
- There's broad support when issues reflect values. Too many government programs miss important values, especially responsibility and work. Want kids' programs to reflect their values. Liberals resist dialogue on values; they're frightened of the term.
- There's genuine confusion about role of government re the family. There's negative sentiment about government and child care; it's positive sentiment re government and public schools. Not enough research on government and parents; on getting government on the side of parents.
- Issues that resonate: time with kids; divorce; parental involvement. Where's the policy content there? (Celinda again).

Advice from **Geoff Garin** re casting arguments:

- Shouldn't think of the American people as dumb or mean. Notwithstanding that -- They are not well-informed. (Strategies need, then, to inform them).
- Public takes values seriously. Good policy reflects good social values; If it undermines those values, it's bad.
- Liberals hesitate to talk about personal responsibility. But it's central. Across races, public values compassion, fairness etc, but number 1 is personal responsibility. Don't want programs that say: avoid personal responsibility.
- American public isn't ideological. Rather, common sense-oriented.
- See the social service community as part of the establishment, the status quo. This speaks to casting any proposals as change, not status quo. People are ready to recognize the cost of doing nothing. In talking about change, need to explain cost; give a sense of accountability, standards, tough-mindedness. People care about things that work.
- Important in explaining problems to put a human face on it. Race is complicated here; don't want to let people say "people are different from you and me." Want them to say "they are exactly like you and me."
- (Responding to a question) Personal responsibility and national responsibility very much at odds; have to think about larger community responsibilities, but NOT as alternatives to personal.

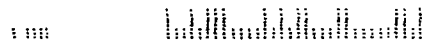
Celinda: real people think their own kids are in trouble. (Use that.) Notion of a safety net is a trap. Social insurance model of Social Security as alternative -- people actually believe they will get theirs.

Geoff: if don't get kids before kindergarten, you've lost them. "If you don't catch them early, you lost them quick" (from poll of CDF donors)

Celinda: "I'd suggest, take these values and own them instead of trying to hide from them." (i.e. personal responsibility)



Ms. Kathryn Way
Special Assistant to the President
The Domestic Policy Council
Old Executive Office Building
17th & Pennsylvania Avenue
Washington, D.C. 20500



CLINTON LIBRARY PHOTOCOPY

Kevin Mickey
108 Lexington Drive
Silver Spring, Md. 20901

KEVIN H. HICKEY
108 Lexington Drive
Silver Spring, Maryland 20901
(301) 593-0867

MARCH 26, 1993

Ms. Kathryn Way
Special Assistant to the President
Domestic Policy Council
The White House
Washington, D.C. 20500

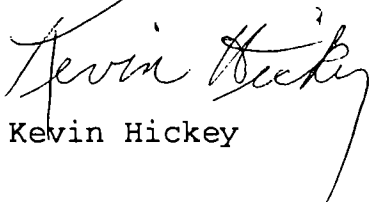
Dear Ms. Way,

A week ago I was talking with Father Fred Kammer, President, Catholic Charities USA, about Social Policy and the work of Catholic Charities on Welfare Reform. He mentioned that you had given an excellent presentation to their conference earlier this month, and suggested that I might want to contact you.

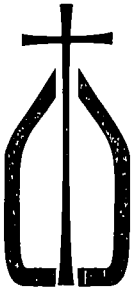
During the 1980's I was actively involved in the national welfare reform efforts in the State of Rhode Island. After obtaining a Master's degree from the University of Chicago in 1982, I joined the University of Rhode Island's Inter-Governmental Policy Center. In that capacity I authored the Rhode Island Department of Human Services' first Food Stamp employment and training plan in 1987. That agency then recruited me to develop employment and training programs for its AFDC population. In that regard I authored the State Plan for employment and training programs under the Family Security Act of 1988, and I developed a Supportive Work Program authorized by the Rhode Island legislature.

I have a varied public policy background and I believe I could be of assistance to the Clinton Administration as it seeks to develop and implement innovative public policies and programs. I am wondering if you could give me some ideas as to where I might fit? Towards that end I would like to phone you later this week and ask you if you could spare me fifteen or twenty minutes at your convenience. I know this is an imposition but I feel confident that somebody, somewhere in the Clinton Administration could put me to good use and effect.

Sincerely,



Kevin Hickey



Catholic
Charities
USA

March 22, 1993

Mrs. Kathi Way
Special Assistant to the President
Domestic Policy Council
Executive Office of the President
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mrs. Way,

Thank you for the opportunity to visit with you on March 3rd with respect to welfare reform. I am both encouraged and hopeful as we come together to collaborate on all service that will impact and empower the poor of this country.

As promised, I have enclosed the Cessna Aircraft Company video and outline of "A Partnership For Change". This nineteen minute video presents the positive relationship of how business, the community and government can work together for a better tomorrow for all. This project was awarded the Harvard University George S. Dively Award for Corporate Public Initiative in 1991. Should you have any questions with respect to this project, please contact Mr. John E. Moore, Senior Vice President, Cessna Aircraft Company, P.O. Box 7704, Wichita, KS 67277 - (316) 941-7820.

Episcopal Liaison
The Most Reverend
Joseph M. Sullivan

Chair
Mr. Bruce J. Kouba

Vice Chair
Rev. Timothy A. Hogan

Secretary
Ms. Lupe U. Macker

Treasurer
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Rev. Fred Kammer, SJ

1731 King
Street •
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(703) 549-1390
Fax:
(703) 549-1656

Mrs. Way, Catholic Charities USA, the nation's largest private voluntary human service provider, stands ready to work with the administration in supporting families, reducing poverty and empowering communities.

With best wishes, I am

Sincerely,

Bruce J. Kouba
Chair
Catholic Charities USA

**THE CESSNA AIRCRAFT COMPANY
21ST STREET TRAINING PROGRAMS**



**THE EXCITEMENT IS TRAINING
AMERICA'S BEST PEOPLE**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **THE 21ST STREET TRAINING FACILITY WAS CREATED TO ADDRESS TWO PROBLEMS:**
 - **A GROWING ECONOMIC GAP BETWEEN SEGMENTS OF THE CITY'S POPULATION**
 - **DETERIORATION OF THE 21ST STREET CORRIDOR**
- **THE FACILITY WAS OPENED IN DECEMBER OF 1990**
- **TRAINING BEGAN IN JANUARY OF 1991**

THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS



- **21ST STREET DETERIORATION**
- **FORMERLY A MAJOR THOROUGHFARE**
- **AN EXODUS OF BUSINESSES**
- **HIGHEST UNEMPLOYMENT AND CRIME RATES IN THE CITY**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **THE GROWING ECONOMIC GAP**
- **POOR LITERACY SKILLS, AND/OR INEXPERIENCE PRECLUDED MANY FROM EMPLOYMENT**
- **MANY AREA RESIDENTS WERE UNDEREMPLOYED**
- **PERSONAL CIRCUMSTANCES PREVENTED INDIVIDUALS WHO WERE QUALIFIABLE FROM MAKING A TRANSITION TO INITIAL EMPLOYMENT OR BETTER JOBS**
- **TRANSPORTATION**
- **DEPENDENT CHILDREN**
- **PREVIOUS WORK RECORDS**
- **OTHER REASONS**

THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS



- **OTHERS SHARED THESE CONCERNS**
 - **WICHITA CITY COUNCIL**
 - **SEDGWICK COUNTY COMMISSION**
 - **UNIFIED SCHOOL DISTRICT #259**
 - **WICHITA POLICE DEPARTMENT**
 - **INTERNATIONAL ASSOCIATION OF MACHINISTS UNION**
 - **OTHER COMPANIES**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- THE PLANNING PROCESS WAS LENGTHY AND COMPREHENSIVE
- EIGHTEEN (18) MONTHS FROM CONCEPT IDENTIFICATION TO OPENING
- INTERESTED PARTIES IN WICHITA WERE CONSULTED
- ASSIGNED TO A SENIOR, MULTI-FUNCTIONAL GROUP OF CESSNANS
 - MANUFACTURING
 - HUMAN RESOURCES
 - FINANCE
 - MATERIALS
 - TRAINING
 - FACILITIES
- SOURCES OF POSSIBLE FUNDING WERE IDENTIFIED
- EXISTING WICHITA AREA TRAINING PROGRAMS WERE REVIEWED
- OTHER COMPANIES' PROGRAMS WERE REVIEWED
 - IBM
 - DIGITAL EQUIPMENT
 - POLAROID
 - OPPORTUNITIES INDUSTRIALIZATION CENTER (OIC)
 - BEDFORD STUYVESANT RESTORATION CORPORATION



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

PROGRAM COSTS

- **SOURCES OF FUNDING WERE IDENTIFIED**
- **CESSNA'S PROGRAM COSTS ARE PARTIALLY OFFSET BY**
 - **JOINT TRAINING PARTNERSHIP ACT (JTPA) REIMBURSEMENTS**
 - **KANSAS INDUSTRIAL TRAINING (KIT) REIMBURSEMENTS**
 - **UNIFIED SCHOOL DISTRICT #259**
 - **CORPORATE PARTNERS**
- **CITY, COUNTY, STATE, AND USD #259 SUPPORT HAS BEEN OUTSTANDING**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **SEVERAL AREA TRAINING PROGRAMS WERE REVIEWED**
- **THESE PROGRAMS DID NOT MEET ALL THE NEEDS OF THOSE CONSIDERED UNEMPLOYABLE**
- **DURATION OF TRAINING WAS PROGRAM AND NOT PARTICIPANT DRIVEN**
- **COMPENSATION NOT PROVIDED DURING TRAINING**
- **EMPLOYMENT NOT GUARANTEED AFTER TRAINING**
- **NO ASSISTANCE WITH PERSONAL NEEDS, I.E. DAY CARE, TRANSPORTATION**

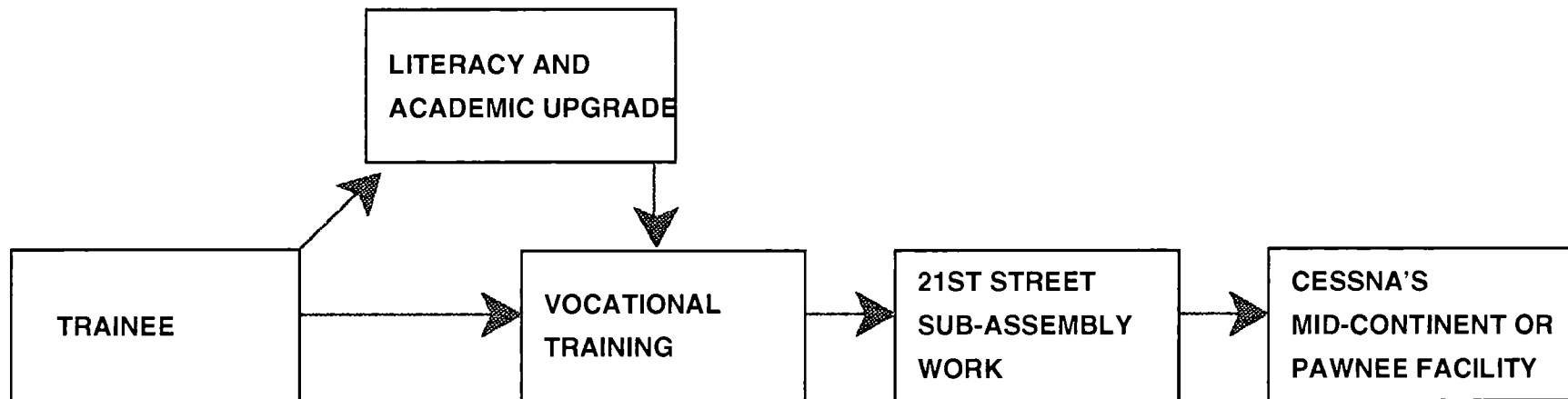


THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **CESSNA'S 21ST STREET PROGRAM REMOVES BARRIERS OF OTHER TRAINING PROGRAMS**
 - **FLEXIBILITY**
 - **COMPENSATION**
 - **PERSONAL ASSISTANCE**
 - **EMPLOYMENT**
- **A TRANSITION TO ECONOMIC SELF-SUFFICIENCY IS PLANNED FOR EACH INDIVIDUAL**

THE CESSNA AIRCRAFT COMPANY 21ST STREET FACILITY

TRAINING PROGRAM PROGRESSION



- INDIVIDUALS ENTER VOCATIONAL TRAINING DIRECTLY OR AFTER COMPLETING THE LITERACY PROGRAM
- COMPENSATION AND CESSNA BENEFITS COVERAGE BEGIN WITH VOCATIONAL TRAINING
- SUCCESSFUL LITERACY STUDENTS ARE GUARANTEED PLACEMENT IN VOCATIONAL TRAINING
- COMPENSATION IS INCREASED DURING TRAINING AND WHILE PERFORMING SUB-ASSEMBLY WORK
- SUCCESSFUL TRAINEES ARE GUARANTEED TRANSFERS TO ANOTHER CESSNA FACILITY



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

LITERACY AND ACADEMIC UPGRADE PROGRAM

- **BASIC SKILLS**
 - **READING**
 - **MATH**
 - **LANGUAGE**
 - **STUDY SKILLS**
 - **VOCATIONAL PREPARATION**
- **MATH UPGRADE**
 - **FRACTIONS, DECIMALS, PERCENTS**
- **ENGLISH UPGRADE**
- **GENERAL EQUIVALENCY DIPLOMA (G.E.D.)**
- **ADULT PERFORMANCE LEVEL (APL)**
- **VOCATIONAL SUPPORT**

THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS



VOCATIONAL TRAINING PROGRAM

- **SHEETMETAL ASSEMBLY**
 - **RIVETING, DRILLING, LAYOUT AND MEASURING, SAWING, FILING, FAY SEALING, ASSEMBLY AND FASTENER SPECIFICATIONS**
- **BEGINNING AND ADVANCED BLUEPRINT READING**
 - **PICTORIAL DRAWINGS, ORTHOGRAPHIC PROJECTION, ISOMETRICS, SECTIONAL VIEWS, AIRPLANE REFERENCE LINES, DRAWING ELEMENTS AND SYMBOLS**
- **BASIC MATH**
 - **FRACTIONS, DECIMALS, PERCENTS**
- **FASTENER CODE BOOK**
 - **LETTER CODES, QUADRANTS, FASTENER PARTS NUMBERS**
- **SHEETMETAL ASSEMBLERS HANDBOOK**
 - **STRESS AND FATIGUE, MATERIALS, FASTENERS AND RIVETING TOOLS**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

SUB-ASSEMBLY WORK

- **ASSEMBLING SUB-ASSEMBLIES FOR BOTH CURRENT PRODUCTION AND SPARE REQUIREMENTS**
- **EMPHASIS ON SAFETY, QUALITY, PRODUCTIVITY AND DELIVERY**
- **COMPUTER SKILLS - CESSNA INFORMATION SYSTEMS**



THE CESSNA AIRCRAFT COMPANY
21ST STREET TRAINING PROGRAMS
COUNSELING PROGRAM

- **SOCIAL SKILLS**
 - **COOPERATIVE ATTITUDE**
 - **WORKPLACE ETHICS**
 - **GROOMING/DRESS**
 - **HYGIENE**
- **PERSONAL FINANCE**
 - **BUDGETING**
 - **LONG RANGE FINANCIAL PLANNING**
- **PARENTING**
 - **DAY CARE**
 - **SPEAKERS TO ENHANCE SKILLS**
- **PERSONAL GROWTH**
 - **CAREER PLANNING**
 - **SPEAKERS FOR MOTIVATION AND SELF-DEVELOPMENT**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **THE PROGRAM DUPLICATES CESSNA'S PRODUCTION FACILITIES**
 - **HOURS OF WORK**
 - **BREAK PERIODS**
 - **COMPUTER SYSTEMS**
 - **INDIVIDUALS' EFFICIENCY, SCRAP, REWORK ARE MEASURED**
 - **INDIVIDUAL EFFICIENCY MEASURED**
 - **TRAINING TECHNIQUES**
 - **EMPHASIS ON QUALITY**
 - **EMPHASIS ON SAFETY**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **PROFESSIONAL STAFF HAS NINE MEMBERS**
 - **PLANT MANAGER**
 - **TWO SUPERVISORS/TRAINERS**
 - **INSPECTOR**
 - **COUNSELOR**
 - **HUMAN RESOURCE ASSISTANT**
 - **PARTS CLERK**
 - **TWO EDUCATIONAL TUTORS**
- **EMPLOYING A COUNSELOR FROM THE OUTSET WAS A KEY TO SUCCESS**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **FACILITY CAPACITY**
 - **35 TRAINEES OR PRODUCTION EMPLOYEES**
 - **4 ACADEMIC UPGRADE STUDENTS**
- **ANNUAL PROGRAM CAPACITY**
 - **45 - 60 TRANSFERS**
 - **12 ACADEMIC UPGRADE STUDENTS**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

TRAINEE EVALUATION COMPONENTS

- **ATTENDANCE**
- **CLASSROOM PERFORMANCE**
- **JOB PERFORMANCE/PRODUCTION EFFICIENCY**
- **TEAM WORK**
- **ACCEPTING RESPONSIBILITY**
- **MOTIVATION/SELF-DISCIPLINE**
- **QUALITY/PRIDE IN WORKMANSHIP**

THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS



TRAINEE DEMOGRAPHICS

- 118 PARTICIPANTS
- 78 FEMALE
- 40 MALE
- 69 RECEIVING PUBLIC ASSISTANCE
- 43 NO EMPLOYMENT OR ASSISTANCE
- 85 AFRICAN-AMERICAN
- 7 HISPANIC
- 5 ASIAN
- 20 CAUCASIAN
- 1 AMERICAN INDIAN
- 111 HAVE DEPENDENT CHILDREN
- 83 (70%) OF THE PARTICIPANTS CONTINUE IN TRAINING OR EMPLOYMENT
 - 51 ARE FULL-TIME REGULAR EMPLOYEES
 - 31 ARE AT THE 21ST STREET FACILITY
 - 14 ARE PERFORMING PRODUCTION WORK
 - 13 ARE IN SHEET METAL TRAINING
 - 4 ARE IN BASIC EDUCATIONAL TRAINING
 - 1 HAS TRANSFERRED TO LEARJET



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

- **THE PROGRAM HAS EXPANDED TO INCLUDE 21ST STREET AREA YOUTH**
 - **YOUTH CLUB**
 - **CUB SCOUT PACK**
 - **SUMMER RECREATIONAL PROGRAM**
 - **SCHOLARSHIP PROGRAM**



THE CESSNA AIRCRAFT COMPANY 21ST STREET TRAINING PROGRAMS

TRAINING PROGRAM BENEFICIARIES

- **PROGRAM PARTICIPANTS**
- **THE CITY OF WICHITA**
- **SEDGWICK COUNTY**
- **THE STATE OF KANSAS**
- **21ST STREET AREA BUSINESSES AND RESIDENTS**
- **TAXPAYERS**
- **AT-RISK YOUTH**

- **CESSNA IS THE LARGEST BENEFICIARY**