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To Kathi Way	From Jill Friedman
Co.	Co.
Dept. OEOB #218	Phone # 624·7720
Fax # 456·7028	Fax # 624·5855

More levees to get federal funds for repairs, Bond says

Levees not now in U.S. program will qualify.

By JAMES WORSHAM
Washington Correspondent

WASHINGTON — The Clinton administration apparently has dropped its opposition to repairing nonfederal levees and is working with Missouri lawmakers to find a way to fix some of the levees now ineligible for federal aid.

U.S. Sen. Kit Bond, a Missouri Republican, got a pledge of help Wednesday from Leon V. Panetta, director of the White House Office of Management and Budget.

"They've committed to working the levee problem in the Midwest out," said David Ayers, Bond's spokesman. He emphasized that the budget office had not committed itself to any amount or specific program yet.

Under discussion with the budget office, Ayers said, was a Bond proposal for a maximum of $150 million in aid to levees that protected towns and public property, but not private land. The federal government would pay 75 percent under this proposal; the rest would come from local sources.

Criteria would be worked out to determine what kinds of levees would be eligible for this special program and which would not. The levee would have to be publicly sponsored by a government unit with taxing power, such as a city, county or levee district.

For weeks, the administration has opposed repairing levees that were not enrolled in the federal levee program before the summer floods, saying such a program could cost $1 billion. That opposition killed a Bond proposal in the 1994 defense spending bill that would have ordered such assistance.

Efforts by other Missouri members of Congress to add a similar provision to other flood legislation failed this week in the House, but some members, especially Rep. Pat Danner, Missouri Democrat, have been actively looking for a way to fund these repairs.

Staffers for Danner met with budget officials Wednesday and were told that the Clinton administration was still working on some kind of limited program for the nonfederal levees.

In the past several days, Missouri lawmakers have repeatedly contacted Panetta, pressing him to agree to some kind of program so the most important levees can be repaired before spring flooding next year.

Ayers said Bond's office had originally estimated that it would take just over $100 million to repair 482 nonfederal levees in the nine-state Midwest region, damaged by the flooding. Of the 482, about 400 were in the Kansas City district of the U.S. Army Corps of Engineers.

The corps already must rebuild or repair more than 200 federal levees along Midwest rivers.

THE WHITE HOUSE

WASHINGTON

April 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY CAV
Secretary to the Cabinet

SUBJECT: Background Information - Missouri

We have compiled the following information from the various Cabinet Agencies and Departments on the State of Missouri.

"HOT ISSUES"

- **Defense - Kansas City DFAS Center:** Kansas City has one of the five largest DFAS centers, though it is the smallest of the five, with 700 employees. The community is pressing to have the Center selected as a consolidated DFAS Center in an effort to preserve and expand the Center.

- **Defense - Levee Rebuilding:** The Army Corps of Engineers is working quickly to repair levees damaged during last year's floods before this year's flood season begins.

- **Defense - McDonnell Douglas:** The company as undergone a major corporate downsizing effort. Approximately 30,000 people have been laid-off in the St. Louis area since 1991.

- **Interior - Bureau of Mines Rolla Research Center:** The proposed FY'95 budget for the U.S. Bureau of Mines assumes the closure of several field facilities, including a research center located in Rolla, Missouri. Governor Carnahan (D), who is from Rolla (population 14,000) believes the facility should remain open. The Rolla Research Center has a staff of 72 and an annual budget of $4.1 million. According to the Department, the research performed at Rolla is primarily related to lead and zinc production in Missouri and could be performed in a cost-effective manner at other Bureau facilities.

- **HHS - Family Planning Services Waiver:** Current Law allows new mothers to receive family planning services for only 60 days postpartum. In November 1993, Missouri applied for a Medicaid waiver to extend the Medicaid coverage period up to two years. The Department is awaiting answers from the State to a series of questions before it can make a decision on the application.

- **HHS - Health Care Reform Waiver:** The State is preparing a Medicaid waiver proposal which will greatly expand p 5 the number of people eligible for Medicaid. The waiver will be based on Integrated Service Networks of private physicians and hospitals who will provide services as managed care providers. State officials believe they will proceed with this waiver even if the Governor's health reform package does not pass the Assembly before the end of this term in May. The Governor's plan moved out of Committee on March 28. The plan would make a number of insurance market reforms as well as create integrated service networks as are planned for in the waiver.

- **HHS - Welfare Reform:** The State is pursuing a broad based welfare reform initiative which would radically alter the welfare programs in the State. A bill is before the Legislature with a variety of reforms that would change the state's child support enforcement system and would prevent, reduce and end reliance on the current program.

- **Agriculture - Flood Assistance:** As of March 31, 1994, USDA has awarded $169.9 million in emergency assistance to Missouri to help in the recovery from flood and crop damage. The bulk of the funds were disbursed by the Agricultural Stabilization and Conservation Service for crop damage. To date, USDA has repaired 102 levees in Missouri. USDA offices there report that levees on the Mississippi River are in good shape; the major concerns are those levees on the Missouri River. The additional $50 million from the emergency supplemental appropriation for the nine flood states will be used to repair levees on the Missouri.

- **Agriculture - Welfare Reform:** Missouri has just been granted a waiver to permit the State to use food stamps as well as AFDC benefits for wage supplementation in its cash-out demonstration project. This welfare reform project is part of a ten-year effort that will operate only in the Kansas City area. Food stamp households will be targeted for self-sufficiency within 48 months and can accumulate up to $10,000 in resources while retaining eligibility for the program.

- **Energy - Allied Signal Plant:** Mayor Emanuel Cleaver has been working with Marcia Hale to see if anything can be done about FY'95 budget cuts at the DOE/Allied Signal Kansas City Plant which would result in a loss of approximately 1500 jobs. DOE reports that they are going to shift some money around in the budget for all three of their weapons plants (including Kansas City). This will probably result in a loss of 700 jobs in Kansas City instead of the projected 1500. **This is not yet**

public information and should not be given to anyone.

- **Education - Kansas City Schools:** The Kansas City Public School System was the focus of a 60 Minutes story earlier this year. The major thrust of the story was that despite a substantial increase in spending for education there, student test scores have continued to decline. There was no mention in the story of the Department. In addition to school financing and the resulting lack of performance, desegregation is also an issue. Education policy in the city has largely been driven by the desire to integrate the largely African-American student population in the city with the suburban white population. The city school district is now made up of mostly magnet schools that are intended to attract white students. There is a great amount of debate as to whether the plan is actually working.

- **EPA - Times Beach Superfund Site:** A protest was held on Friday, April 1, at the Times Beach Superfund site near St. Louis. The protest was organized by a local community organization to prevent the incineration of dioxin there. Among the demands posed by the protestors was that you adopt a strict moratorium on dioxin incineration. Three protestors were arrested. Under the Administration's new policy, announced in early 1993, incinerators are subject to more stringent emission limits and stepped up enforcement activity be regulatory agencies. The new policy calls for site-specific risk assessment at incinerator sites Times Beach is currently in this risk assessment stage and there will be a public comment period during the process.

GRANTS

- **HHS - AIDS:** In March, the Department awarded the following Ryan White Care Act grants to Missouri: $2.7 million to Kansas City; $2.2 million to St. Louis; and, $2.7 million to the State, for a total of $7.6 million.

- **HHS - Immunization:** In January, the Department released $5.5 million in grants to the State to support basic immunization activities.

- **HHS - Head Start:** In FY'94, Missouri will receive an increase of $9.3 million over FY 1993, resulting in a total funding level of $54.9 million.

- **HHS - Flood Crisis:** The Substance Abuse and Mental Health Services Administration granted $12 million to the State for crisis counselling associated with the 1993 floods. An additional $2 million in supplemental funding to meet increased needs associated with domestic violence was also provided. The State also received $3.57 million in Community Services Block Grants, $2.5 million in emergency social services block grants and $500,000 from the Administration on Aging in response to the flood.

- **HUD - HOPE VI Urban Revitalization Grants:** The Department awarded $500,000 in these monies to the St Louis Housing Authority for FY'94, and $47.6 million to the Kansas City Housing Authority for FY'93. These grants fund revitalization projects for the nation's most distressed public housing developments.

- **HUD - Community Development Block Grants:** In FY'94, the State received $29.3 million and St. Louis received $31.8 million.

- **HUD - Community Development Block Grants:** In FY'94, the State received $4 million and St. Louis received $11 million in these funds which are provided to state and local governments for housing rehabilitation, renovation and construction.

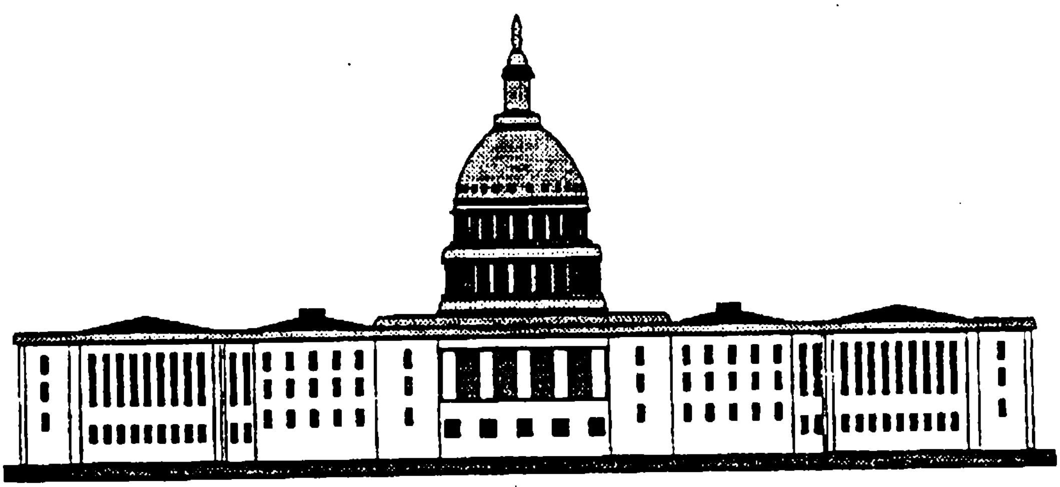
TRAVEL

- **Agriculture:** On Tuesday, April 5, Secretary Espy toured a levee site outside of Kansas City that was damaged in the flood.

- **HHS:** Secretary Shalala travelled to St Louis with the President in July, 1993 to observe the flood damage and in August, 1993 to observe the signing of the flood relief bill.

Estimates of the Earned Income Tax Credit By Congressional Districts

July 29, 1993



Office of Economic Policy
Department of the Treasury

Estimation Procedures

Estimated Distribution Across Congressional Districts of Earned Income Tax Credit Recipients and Amounts

The following district-by-district analysis provides an approximate estimate of how many families with children in each Congressional district will receive the Earned Income Tax Credit (EITC) once the President's proposal is fully phased-in. The estimate does not include the seven million American workers without dependent children who would be eligible under the President's proposal.

The distribution across Congressional districts of EITC recipients and amounts was estimated with the following steps:

1. The Office of Tax Analysis, Department of the Treasury, has estimated the following national totals for 1994 for the current-law EITC and the President's proposal (fully phased in 1994 levels):

	Families	Childless Workers	Total
	Current Law		
Recipients	14 million	NA	14 million
Amounts	$19.1 billion	NA	$19.1 billion
	President's Proposal		
Recipients	15 million	7 million	22 million
Amounts	$25.4 billion	$1.3 billion	$26.7 billion

2. We allocated the totals for families by state, using the distribution across states of recipients and amounts in tax year 1991 from *SOI Bulletin*, Spring 1993.
3. We distributed the state estimates (for both families and amounts) across Congressional districts according to the proportion of the state's nonelderly (householder under 65) households with incomes under $25 thousand residing in that district (as of the 1990 Census).

Caveats: The Congressional district estimates do not include the number of low-income workers without children that would receive the credit or the amounts they would receive. Since the proposed credit for childless workers is new, there are no historical data on which to base district-by-district estimates for these workers.

All state totals are assumed to grow at the same rate as the national total between 1991 and 1994. Consequently, variations across states are rooted in the 1991 distribution.

These data on the number of EITC families and payment amounts by Congressional district somewhat overstate the number of recipients in metropolitan districts. This is because the proportion of poor households with earnings is higher than average in rural areas and somewhat lower than average in cities.

Office of Economic Policy, Department of the Treasury

Missouri

District	Representative	Expanded EITC (fully phased in) Families ('000's)	Amount (millions)	Percent of Families
1	William Clay	35.3	59.0	25.3
2	James M. Talent	11.5	19.1	7.3
3	Richard A. Gephardt	25.9	43.3	16.9
4	Ike Skelton	37.1	61.9	23.7
5	Alan Wheat	34.0	56.8	23.0
6	Pat Danner	31.0	51.8	19.8
7	Mel Hancock	41.6	69.4	26.3
8	Bill Emerson	45.8	76.5	28.9
9	Harold L. Volkmer	32.7	54.6	21.8
Total		*295.0*	*492.4*	*21.4*

OFFICE OF THE GOVERNOR
STATE OF MISSOURI
JEFFERSON CITY
(314) 751-3222

MEL CARNAHAN
GOVERNOR

ROOM 216
STATE CAPITOL
65101

Please send Steve Schweiner a copy

✓ 4-14-94

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To: Kathi Way

From: Jill Friedman

Missouri Governor's Office

Number of Pages: 4

Re:

Message: Keep in touch! J

Please call 314-751-3222 if transmission is incomplete.

N E W S R E L E A S E

GOVERNOR MEL CARNAHAN

CAPITOL BUILDING ROOM 216 JEFFERSON CITY MO 65101 PHONE: (314) 751-3222 FAX: (314) 751-4458

For Immediate Release
April 14, 1994

For more information,
call Chris Sifford
at 314-751-3222

Governor Carnahan Declares State of Emergency for Severe Spring Flooding

Governor Mel Carnahan today declared a State of Emergency for Central, Eastern, and Southwestern Missouri as a result of severe spring storms and flooding.

The State of Emergency declaration paves the way for use of additional state resources to augment the needs of local government officials in combatting the flash flood conditions.

Carnahan said State Emergency Management Agency (SEMA) officials have been working closely with local emergency management agency personnel in the counties affected by the flooding.

"Our first concern was to alleviate any threat to the safety of those residents who are impacted by this current flooding," he said. While many families have left their homes due to the high waters, their needs are being met by volunteer agencies such as the Red Cross and the Salvation Army."

"We now want to take a close look at the flood damage itself in terms of property losses to determine the overall impact on individuals and families. We need to know the extent of the uninsured losses from this emergency to determine the potential need for any state-federal assistance," he said.

"Therefore I have requested preliminary joint damage assessment teams from SEMA, the Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA) to survey those affected areas. These joint surveys will be conducted as soon as the impacted areas are accessible, as the flood waters recede," he said.

The Governor's State of Emergency declaration represents the first step in the process to seek federal disaster for victims of the current flooding and storms.

- 30 -

'It's just a nightmare all over again'

HERMANN (AP) — Rivers surging from spring storms roared Tuesday through Missouri levees still shattered from last summer's flooding.

U.S. House Majority Leader Richard Gephardt said continued flooding could prompt another request for federal disaster aid in Missouri.

"The only help we can talk about right now is evacuation and shelter," Gephardt, D-Mo., said after touring Jefferson County, south of St. Louis.

"But if this thing worsens, we'll be looking to another disaster declaration," the congressman said.

Evacuation orders were prepared anew for some of 1993's most flood-battered Missouri River communities — West Alton, Defiance and Portage des Sioux.

"We fully expect the levees to be breached and possibly give way in certain areas," warned Gary Schuchardt, St. Charles County Emergency Management Agency director.

Meanwhile, flood-weary river folks stacked sandbags and heaped blame on the U.S. Army Corps of Engineers.

"It's just a nightmare all over again," said farmer Gerald Engemann, who watched as Missouri 19 north of Hermann was submerged by the colliding Loutre and Missouri rivers. "I'm sick of all this federal government foot-dragging."

State highway crews tried to halt the flood across the heavily traveled route by dumping tons of rock, but finally gave up in frustration. The highway links Hermann, a popular but flood-bedeviled tourist destination, to busy Interstate 70. The same submerged section was just replaced last fall, at a cost of more than $1 million.

Three deaths have been attributed to the storms, including a 60-year-old women killed Monday night when her home was struck by an apparent tornado in Barry County, in southwest Missouri.

Flood fighters got a break as rain stopped across most of the state on Tuesday.

And experts said the rapidly rising rivers — the Missouri jumped 9 feet in 24 hours at Jefferson City, for example — would fall just as quickly without more precipitation. Crests were expected by Wednesday in some Missouri River towns.

Rain doesn't appear in the state forecast until Friday. For now, tormented river communities are dealing with the effects of rain which fell steadily since late last week.

Fewer residents are affected because many never returned once flood waters receded in 1993, Schuchardt said.

But the new round of flooding "is damaging and it will delay victim recovery from last year's flood," he added.

Farmers who lost crops last year were taking the hardest licks.

Arthur Gerloff Jr., a farmer for 41 years near Hermann, shook his head as water cascaded across Missouri 19 into the field where he lost 76 acres of corn and soybeans last year.

"In 1993, the river took it all. And there will be no crop in 1994," Gerloff, 64, said sadly. "I think it'll take several years to make a crop here again."

Missouri 19 was flooded by a 100-foot breach in a levee owned by Tri-County Levee District. Engemann, a member of the district, said the Corps of Engineers "has just dragged its feet on repairs."

His criticism was echoed by Sen. Christopher Bond, R-Mo., who toured the Hermann area by helicopter.

"It is inexcusable — the Corps' lack of action has brought much more hardship and suffering on the people throughout the Missouri River valley," Bond said.

Rep. Harold Volkmer, D-Mo., complained from Washington that he was "getting more and more frustrated."

"The Corps should have had most of those levees in place by now," he said, adding that the agency did a far better job of levee repairs along the Mississippi River.

2

ST. LOUIS POST-DISPATCH

7

Levee Repairs Lag Behind Rapidly Rising Rivers

Missouri Farmers Vent Frustration

By Tom Uhlenbrock
Of the Post-Dispatch Staff

Many Missouri farmers are fuming because only a third of the levees eligible for federal aid have been repaired and floodwater once again is lapping at their land.

If predicted crests prove accurate, much of the farmland covered by floods last year will be inundated again.

That's happening at Hermann, where the Missouri River is expected to crest at 34 feet late today — just two feet below last year's crest.

"This is asinine," said Gary Held, manager of the Missouri Farmers Association for Hermann and Rhineland. "The frustration level is very, very high."

The Soil Conservation Service works on the smaller agricultural levees on the Missouri River. A spokesman said it originally looked at about 400 levees and deemed 177 eligible for federal repairs.

The rest were ruled out for various reasons, including poor maintenance and damage so extensive that the cost of repairing the levee was greater than the value of the land it protected, said Ross Braun of the service's office in Columbia, Mo.

But of the 177 ruled eligible, repairs have been completed on only 55, Braun said.

"The No. 1 reason more haven't been completed is weather," he said. "You cannot build a levee with frozen material or soil saturated with water."

Braun said the repairs were in various stages on the other levees.

"But no doubt, this spring we are more susceptible to flood damage than any spring since all the levees and drainage systems were developed," he said.

The Army Corps of Engineers office in Kansas City is responsible for levees on the Missouri River. It said 103 structures were eligible for federal repairs in the 500-mile stretch from Rulo, Neb., to the river's mouth just north of St. Louis.

Of those 103, repairs have been substantially completed on 30, said Marge DeBot, natural disaster program manager. Work is under way on 19 others, and contracts have yet to be completed on the rest.

In many cases, the corps and landowners disagree on how to fix the levees, she said.

In some areas, including Hermann, the corps said it is cheaper to re-align the levees around large scour holes. The farmers often want the holes filled and the levees rebuilt along the old alignments.

The St. Louis office of the corps is responsible for repairs on the Mississippi River from Saverton, Mo., 300 miles south to Cairo, Ill., plus 80 miles of the lower Illinois River. It has 24 repair projects in that area.

Of the 24, the corps has completed rebuilding 13 to pre-flood height.

The Kansas City Star Wednesday, April 13, 1994

15

Floods return to ravage again

By PRINGLE PIPKIN
St. Louis Correspondent

> **"They diddled,** delayed, dawdled and procrastinated."
> – *U.S. Sen. Kit Bond, denouncing the U.S. Army Corps of Engineers for not fixing more levees*
>
> **"We're trying** to get these levees done as quickly as possible and as inexpensively as possible."
> – *Chris Prinslow, with the corps*

ST. LOUIS — Not two weeks ago, the people who predict floods for a living were feeling optimistic about the Midwest.

Most of winter's snows had melted and run off without problem, prompting one U.S. Army Corps of Engineers spokesman in St. Louis to say, "Things look excellent."

Then this week, the skies opened up and drenched much of Missouri. Floods are chasing families from houses along smaller rivers and bringing out the sandbag crews along the Missouri River once more.

Monday night alone, the water-level prediction for the Mississippi River in St. Louis jumped by 12 feet, putting it well over flood stage.

"It's getting up there," Ken Kruchowski, the corps spokesman, said on Monday. "It's coming up fast."

South of St. Louis, the Meramec River was supposed to crest at 21 feet above flood stage Thursday at Eureka. About 270 families got flooded out at nearby Valley Park and at Cedar Hill along the Meramec's tributary, the Big River. At least 40 people stayed in a Salvation Army shelter Monday night, with more expected Tuesday.

"The water is coming up so fast that it has curtailed much of the sandbagging activity," said Gary Laws, director of the Salvation Army's flood relief for Missouri and southern Illinois. "The water has actually turned around and is coming back into town."

On the Missouri, West Alton in St. Charles County also was bracing for trouble. Flooding devastated the town last summer, but homes, a church and other buildings had just been rebuilt. Now, water Thursday is expected to overtop the already weakened levee near the confluence of the Missouri and Mississippi rivers.

The Salvation Army is moving its center — which still serves 400 meals a day — about a mile up the road to a temporary tent location, Laws said.

At St. Charles, the Missouri is expected to be 11.5 feet over flood stage on Thursday. That's just 3 feet short of the river's crest last summer.

"The problem last summer was that it went to tremendous heights and just stayed there and stayed there," Kruchowski said, recalling the $10 billion flood of '93. "Now it all depends on how much rain we get from here on out.

"The river may crest on Thursday and then go back down again."

Tuesday, the sun and warmer weather returned to St. Louis, brightening hopes. But the National Weather Service was calling for more rain all weekend.

Along the Missouri

In Rhineland, northwest of Hermann in central Missouri, people were moving furniture to higher ground and preparing to leave.

"It's not a real serious thing yet," said Charlene Korman, a clerk at the post office. "People are waiting to see if they can hold out."

From the back window of the post office, Korman said she could see floodwater from the Missouri River creeping within 75 feet of the building. Last summer, Rhineland officials moved the post office into a school.

Water also was washing over two of the four roads leading into Hermann.

"It's wet everywhere," said Kathy Gleeson, a clerk at city hall. "Right now they're sandbagging one of our two grocery stores."

Sen. Kit Bond of Missouri, after witnessing the flooding from a helicopter and landing to assess damage near Hermann, denounced the Army Corps of Engineers for failing to fix more levees.

"The corps wanted to cheap out, and they've used every excuse," Bond, a Republican, said later in Washington. "They diddled, delayed, dawdled and procrastinated. The corps, at the direction of Washington, has dragged its feet."

Bond was one of a handful of Midwest senators who pushed to earmark money for levee repairs after last summer's floods. Some of the money only recently became available, but Bond said the corps should have been able to fix more levees than it has.

"That may be his opinion," said Chris Prinslow, chief of the U.S. Army Corps of Engineers' emergency management division in Kansas City. "We're trying to get these levees done as quickly as possible and as inexpensively as possible."

Prinslow said two-thirds of the broken levees on the Missouri River that have been promised money through the agency are not yet repaired.

Those unrepaired levee breaks have allowed water to seep through, especially downstream from Jefferson City.

Of the broken levees awaiting repairs with federal money, Prinslow said about a fifth are under construction now. Half are being advertised for contractors. And the rest are delayed because local levee districts and the corps have not reached terms on how to complete the work.

Cont...

6-2983

The White House
Washington

FAX COVER SHEET

OFFICE OF DOMESTIC POLICY

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Special Assistant to the President

Cookie Walden
Staff Assistant

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TO: Steve Silverman

FAX No. ~~6-2983~~ 6-6704

FROM: Kathy Way

DATE: 4/14-94

NUMBER OF PAGES (Including cover sheet)

COMMENTS:

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WASHINGTON, D.C. OFFICE

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JILL FRIEDMAN
DIRECTOR

MEMORANDUM

TO: Kathi Way

FROM: Jill Friedman

DATE: February 23, 1994

As promised, this is a quick overview of outstanding flood recovery issues. I did not "survey" the flood states, so this does not represent a collective response -- but I think most of the states would agree that these are the high-priority issues.

1. Distribution and use of recently appropriated CDBG funding:

HUD is considering several options for the distribution CDBG funds -- ranging from direct allocations to distribution on an "as needed" basis. HUD is also establishing a new set of formula factors (criteria) to determine the amount each state will receive. I have several concerns about process and timing.

First, distribution on an "as needed" basis would make it very difficult to plan effectively or set priorities. Under direct allocations there is no guesswork. States would know how much funding is available and when to expect it. In my opinion, this preserves the integrity of the block grant program -- and forces states to work within the limits of allotted funds. Second, HUD should ensure that a change in criteria does not slow-down the distribution of funds. I hope HUD isn't trying to reinvent the wheel. I have tried to offer damage assessments, needs updates, and background on Missouri's relocation review committee ... but no one at HUD seems interested. Is there any way the states can help speed-up this process? Finally, an unresolved issue is whether HUD plans to distribute funds to both states and entitlement areas. In Missouri, we have solicited relocation and community redevelopment applications from all interested communities -- including entitlement areas. In the spirit of setting priorities and pursuing a coordinated statewide recovery program, I would argue that states should receive all funds.

2. Levee repair:

I spoke to Marion Barry about SCS's resistance to repair ineligible levees and, though he thought it would be resolved, he verified that this was a problem. At this point, SCS has 30 days to report back to Congress with a set of criteria to determine which levees will be repaired. Obviously, the criteria-setting process is critical. Word coming back from the field (primarily from SCS officials) is that Tim Searchinger of EDF and Scott Faber will be heavily involved. If this is true, SCS should make sure that agriculture interest groups AND the states have an opportunity to comment as well. At the same time, I hope that SCS is analyzing eligibility under the Corps and EDA programs to make sure that the small pot of $50 million does not duplicate efforts by the other agencies. Finally, though SCS has up to 30 days to report, we hope the process doesn't take that long. If it does, it could be the beginning of April before any repairs begin.

Regarding EDA, the EDA application process (for levee repair and community redevelopment projects) continues to drone on ... and on... and on. Is there any way for you and the steering committee to get an update on applications received (broken down by state) and a definitive timeline for review? Also, it would be interesting to know if EDA expects a shortfall in funds and, if so, how the agency plans to prioritize projects.

3. Alternative management:

Many of the states still have a problem with eligibility and lack of funding under alternative management programs. Is USDA interested in a conservation reserve-type program to bring in the most damaged land at reasonable cost? If so, we need authorizing language or an administrative remedy as soon as possible. There is a direct relation between levee repair and alternative management. We can't let one proceed ahead of the other.

Again, this is a quick overview of the big picture. We are dealing with many smaller items on a state-by-state basis. No doubt you'll get all of these issues resolved at your meeting next week. If you think it is appropriate, I would be happy to attend.

Have a terrific trip to Missouri -- I'll talk to you soon.

P.S. Attached the delegation letter re welfare reform, FYI.
Thanks again —

ALAN WHEAT
5TH DISTRICT, MISSOURI

MEMBER:
COMMITTEE ON
RULES

SELECT COMMITTEE ON
HUNGER

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INDEPENDENCE, MO 64050-3724
833-4545

Correspondence file

February 8, 1994

President Bill Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

We are writing to request your assistance and support in obtaining a waiver from the United States Department of Agriculture (USDA) to fully implement the State of Missouri's welfare reform initiative.

The State of Missouri has developed a comprehensive welfare reform initiative entitled, "Beyond Welfare." Two important elements of this strategy to reform welfare include using AFDC and food stamp benefits as wage supplements for private sector job creation, and Electronic Benefit Transfer (EBT) to eliminate fraud associated with food stamp coupons. The U.S. Department of Health and Human Services has been a willing and cooperative partner in allowing the states the flexibility needed to pursue these reforms. Unfortunately, the state has not been able to reach an agreement with the USDA.

The USDA has denied the state's waiver request to use food stamps as a wage supplement on the grounds that nutritional status cannot be maintained if benefits are obtained in the form of wages in lieu of food stamp coupons. We have strongly supported welfare reform and believe that states need flexibility to develop new ways of helping welfare recipients obtain productive jobs. In particular, the State of Missouri needs the waiver in order to enhance economic development and revitalization in its cities.

We believe that Missouri has one of the more innovative and progressive welfare reform proposals in the country, particularly because it links private sector job creation directly to welfare reform. Thus, it addresses one of the most common criticisms of various proposals to reform welfare: a lack of meaningful job opportunities for those who wish to leave the welfare rolls. We believe that this plan will indeed provide jobs, but it needs the waiver from USDA to go forward.

The Missouri delegation welcomes your input and any assistance you may be able to offer us in this endeavor.

Sincerely,

Alan Wheat
Rep. Alan Wheat

Richard A. Gephardt
Rep. Richard Gephardt

President Bill Clinton
February 8, 1994
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Sen. John Danforth

Sen. Kit Bond

Rep. Ike Skelton

Rep. Pat Danner

Rep. James Talent

Rep. Mel Hancock

Rep. Bill Emerson

Rep. Harold Volmer

STATE OF MISSOURI
WASHINGTON, D.C. OFFICE

MEL CARNAHAN
GOVERNOR

HALL OF THE STATES
400 NORTH CAPITOL ST., SUITE 376
WASHINGTON, D.C. 20001
(202) 624-7720

JILL FRIEDMAN
DIRECTOR

MEMORANDUM

TO: Kathi Way

FROM: Jill Friedman

DATE: February 23, 1994

As promised, this is a quick overview of outstanding flood recovery issues. I did not "survey" the flood states, so this does not represent a collective response -- but I think most of the states would agree that these are the high-priority issues.

1. Distribution and use of recently appropriated CDBG funding:

HUD is considering several options for the distribution CDBG funds -- ranging from direct allocations to distribution on an "as needed" basis. HUD is also establishing a new set of formula factors (criteria) to determine the amount each state will receive. I have several concerns about process and timing.

First, distribution on an "as needed" basis would make it very difficult to plan effectively or set priorities. Under direct allocations there is no guesswork. States would know how much funding is available and when to expect it. In my opinion, this preserves the integrity of the block grant program -- and forces states to work within the limits of allotted funds. Second, HUD should ensure that a change in criteria does not slow-down the distribution of funds. I hope HUD isn't trying to reinvent the wheel. I have tried to offer damage assessments, needs updates, and background on Missouri's relocation review committee ... but no one at HUD seems interested. Is there any way the states can help speed-up this process? Finally, an unresolved issue is whether HUD plans to distribute funds to both states and entitlement areas. In Missouri, we have solicited relocation and community redevelopment applications from all interested communities -- including entitlement areas. In the spirit of setting priorities and pursuing a coordinated statewide recovery program, I would argue that states should receive all funds.

2. Levee repair:

I spoke to Marion Barry about SCS's resistance to repair ineligible levees and, though he thought it would be resolved, he verified that this was a problem. At this point, SCS has 30 days to report back to Congress with a set of criteria to determine which levees will be repaired. Obviously, the criteria-setting process is critical. Word coming back from the field (primarily from SCS officials) is that Tim Searchinger of EDF and Scott Faber will be heavily involved. If this is true, SCS should make sure that agriculture interest groups AND the states have an opportunity to comment as well. At the same time, I hope that SCS is analyzing eligibility under the Corps and EDA programs to make sure that the small pot of $50 million does not duplicate efforts by the other agencies. Finally, though SCS has up to 30 days to report, we hope the process doesn't take that long. If it does, it could be the beginning of April before any repairs begin.

Regarding EDA, the EDA application process (for levee repair **and** community redevelopment projects) continues to drone on ... and on... and on. Is there any way for you and the steering committee to get an update on applications received (broken down by state) and a definitive timeline for review? Also, it would be interesting to know if EDA expects a shortfall in funds and, if so, how the agency plans to prioritize projects.

3. Alternative management:

Many of the states still have a problem with eligibility and lack of funding under alternative management programs. Is USDA interested in a conservation reserve-type program to bring in the most damaged land at reasonable cost? If so, we need authorizing language or an administrative remedy as soon as possible. There is a direct relation between levee repair and alternative management. We can't let one proceed ahead of the other.

Again, this is a quick overview of the big picture. We are dealing with many smaller items on a state-by-state basis. No doubt you'll get all of these issues resolved at your meeting next week. If you think it is appropriate, I would be happy to attend.

Have a terrific trip to Missouri -- I'll talk to you soon.

P.S. Attached the allegation letter re welfare reform, FYI.
Thanks again —

ALAN WHEAT
5TH DISTRICT, MISSOURI

MEMBER,
COMMITTEE ON
RULES

SELECT COMMITTEE ON
HUNGER

Congress of the United States
House of Representatives
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301 WEST LEXINGTON, #221
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Correspondence file

February 8, 1994

President Bill Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

We are writing to request your assistance and support in obtaining a waiver from the United States Department of Agriculture (USDA) to fully implement the State of Missouri's welfare reform initiative.

The State of Missouri has developed a comprehensive welfare reform initiative entitled, "Beyond Welfare." Two important elements of this strategy to reform welfare include using AFDC and food stamp benefits as wage supplements for private sector job creation, and Electronic Benefit Transfer (EBT) to eliminate fraud associated with food stamp coupons. The U.S. Department of Health and Human Services has been a willing and cooperative partner in allowing the states the flexibility needed to pursue these reforms. Unfortunately, the state has not been able to reach an agreement with the USDA.

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Sincerely,

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