NLWJC - Kagan
DPC - Box 058 - Folder-019

Welfare - Anniversary Event

WR - anniversary event

August 3, 1998

WELFARE REFORM ANNIVERSARY EVENT

DATE:	August 4, 1998
LOCATION:	East Room
BRIEFING TIME:	2:15 pm
EVENT TIME:	2:45 pm
FROM:	Bruce Reed

I. PURPOSE

To demonstrate your leadership in reforming the welfare system by announcing: (1) the elimination of the "100 hour rule" for Medicaid that has prevented some states from providing Medicaid coverage to working, two-parent families; (2) $60 million in new Welfare-to-Work grants; (3) new federal hiring numbers showing that 5,714 former welfare recipients have been hired since April 1997; and (4) transmittal of the First Annual Report to Congress on the Temporary Assistance for Needy Families program, which shows that 1.7 million adults who were on welfare in 1996 were working in 1997.

II. BACKGROUND

This event will celebrate the two-year anniversary of the Personal Responsibility and Work Opportunity Act, which you signed into law on August 22, 1996, and highlight new action you are taking to promote work and responsibility.

Eliminating Anti-Work and Anti-Family Rules that Denied Families Health Coverage
You will announce that the Department of Health and Human Services will revise its regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet State income eligibility. Under the old welfare rules, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. Because these rules provided disincentives to marriage and full-time work, the Administration allowed a number of states to waive this rule. The new regulation eliminates this rule for all States, providing health coverage for working families to help them stay employed and off welfare.

$60 Million More in Welfare-to-Work Grants
Nearly one year after obtaining $3 billion in new Welfare-to-Work funds in the Balanced Budget Act, you will announce funds for Maine, Maryland, New Hampshire, New Mexico, Virginia, West Virginia, and Guam. These funds help long-term recipients who have significant barriers to employment obtain and retain jobs and can be used to help fathers as well as mothers go to work. With the $60 million released today, the Department of Labor has now approved $759 million for 38 states and Guam under the Welfare-to-Work.

The Federal Government is Doing Its Share
You will announce that the federal government has now hired 5,714 new workers off the welfare rolls, which is over half-way to its goal of 10,000 by 2000. Nearly 80 percent of these new workers live and work outside the Washington Metropolitan area. The Vice President is leading this effort to ensure that the federal government does its fair share to employ welfare recipients. The White House pledged to hire six welfare recipients and has already exceeded this goal and has employed seven former welfare recipients.

Two Years Later, Millions of Welfare Recipients are Working
You will announce the release the First Annual Report to Congress on the Temporary Assistance for Needy Families program, which shows a dramatic increase in the number of welfare recipients who have gone to work. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997. The report also finds that families moving from welfare to work also enjoy increases in income.

The report highlights the dramatic decline in welfare caseloads, showing that welfare rolls have declined 27 percent since the welfare reform law was signed and that the percentage of the population on welfare is at its lowest since 1969. The report also finds that on average states are spending more per person on welfare-to-work efforts than they did before the passage of the 1996 law.

Several other reports also confirm that welfare reform is on the right track. The Urban Institute recently found that, on average, a family's income goes up 51 percent when they move from welfare to a part-time entry level job, and increases even more as they move to full-time work. The Earned Income Tax Credit, which this Administration fought hard to expand in the 1993 budget, is a major factor in making work pay, especially if families take the option to get part of this tax credit in their regular paycheck. And the National Governors' Association recently reported that state spending on child care has increased by more than half, while spending on helping welfare recipients succeed at work has increased by one-third.

Call for Full Funding for Welfare-to-Work Housing Vouchers
You also will call on Congress to fully fund your proposal for 50,000 Welfare-to-Work housing vouchers to help welfare recipients get or keep jobs by moving closer to job opportunities, reducing long commutes, or securing more stable housing. Although both the House and the Senate have appropriated some funds for this purpose, they have funded less than half the Administration's request.

III. PARTICIPANTS

Briefing Participants:
Secretary Shalala
Secretary Herman
Bruce Reed or Elena Kagan
Chris Jennings
Cynthia Rice

Participants:
Secretary Shalala
Secretary Herman
Beneficiary of Medicaid Rule Change or
Welfare Caseworker tbd

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage accompanied by Secretary Shalala, Secretary Herman, and Person tbd.
- Secretary Herman will make remarks and will introduce Secretary Shalala.
- Secretary Shalala will make remarks and introduce Person tbd.
- Person tbd will make remarks and introduce **YOU.**
- **YOU** will make remarks, and then depart.

VI. REMARKS

Remarks provided by Speechwriting.

PRESIDENT CLINTON WILL ANNOUNCE WELFARE TO WORK SUCCESSES AND NEW STEP TO PROVIDE HEALTH COVERAGE FOR MORE WORKING FAMILIES
August 4, 1998

Today President Clinton will take new action to promote work and responsibility as he sends to Congress a report showing the welfare reform he signed into law nearly two years ago has helped millions of families make the successful transition from welfare to work. The President will announce that he is eliminating an old vestige of the welfare system so that all states can provide Medicaid health coverage to working, two parent families. He will announce $60 million in new Welfare-to-Work grants for six states and Guam to help the most disadvantaged welfare recipients get and keep jobs. He will announce the latest numbers showing that the federal government is doing its fair share in the welfare to work effort, hiring 5,714 former welfare recipients since April 1997. He will send to Congress the first annual report on welfare reform showing that 1.7 million adults who were on welfare in 1996 were working in 1997, and he will urge Congress to fully fund his Welfare-to-Work housing vouchers proposal so that welfare recipients who need to move in order to work can do so.

Eliminating Anti-Work and Anti-Family Rules that Denied Families Health Coverage
Today, the President will eliminate a vestige of the old welfare system by announcing that the Department of Health and Human Services will revise its regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet State income eligibility. Under the old welfare regulations, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. Because these regulations provided disincentives to marriage and full-time work, the Administration allowed a number of states to waive this rule. The new regulation eliminates this rule for all States, providing health coverage for more than 130,000 working families to help them stay employed and off welfare.

$60 Million More in Welfare-to-Work Grants
Today, nearly one year after obtaining $3 billion in new Welfare-to-Work funds in the Balanced Budget Act, the President will release funds for Maine, Maryland, New Hampshire, New Mexico, Virginia, West Virginia, and Guam. These funds help long-term recipients who have significant barriers to employment obtain and retain jobs and can be used to help fathers as well as mothers go to work. With the $60 million released today, the Department of Labor has now approved $759 million for 38 states and Guam under the Welfare-to-Work program.

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Two Years Later, Millions of Welfare Recipients are Working

The President will release the First Annual Report to Congress on the Temporary Assistance for Needy Families program showing a dramatic increase in the number of welfare recipients who have gone to work since he signed the welfare law in August 1996. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997. The report also finds that families moving from welfare to work enjoy increases in income.

The report highlights the dramatic decline in welfare caseloads, showing that welfare rolls have declined 27 percent since the welfare reform law was signed and that the percentage of the population on welfare is at its lowest point since 1969. The report also finds that on average states are spending more per person on welfare-to-work efforts than they did before the passage of the 1996 law.

Several other reports also confirm that welfare reform is on the right track. The Urban Institute recently found that, on average, a family's income goes up 51 percent when they move from welfare to a part-time entry level job, and increases even more as they move to full-time work. The Earned Income Tax Credit, which this Administration fought hard to expand in the 1993 budget, is a major factor in making work pay, especially if families take the option to get part of this tax credit in their regular paycheck. And the National Governors' Association recently reported that state spending on child care has increased by more than half, while spending on helping welfare recipients succeed at work has increased by one-third.

The President Will Call for Full Funding for Welfare-to-Work Housing Vouchers.

The President will call on Congress to fully fund his proposal for 50,000 Welfare-to-Work housing vouchers to help welfare recipients get or keep jobs by moving closer to job opportunities, reducing long commutes, or securing more stable housing. Although both the House and the Senate have appropriated some funds for this purpose, they have funded less than half of the President's request.

U.S. DEPARTMENT OF LABOR
WELFARE-TO-WORK
FORMULA GRANT ANNOUNCEMENTS

TUESDAY, AUGUST 4, 1998

MAINE

Amount of Grant: $ 5,156,417
Match Provided: $ 2,574,725
Total Investment in the State of Maine: $7,731,142
Contact: Linda E. Smith, Director,
Maine Department of Labor
Bureau of Employment Services
(207) 624-6390

The State of Maine is integrating its Welfare-to-Work (WtW) program into One-Stop activities to create a continuum of comprehensive services to benefit TANF recipients. Specifically, the state plans to provide the following services: job readiness, community service, work experience, field training, job creation, on-the-job-training, job placement services, self-employment services, post-employment services, outreach and intake, assessment and service strategy, and support services including transportation, health care, financial assistance, drug and alcohol abuse counseling, group or individual personal counseling, materials for individuals with disabilities, job coaches, child care, dependent care, meals, temporary shelter and financial counseling. Maine will measure its success based on whether 100 percent of WtW recipients are placed into subsidized or unsubsidized employment within 30-60 days of enrollment; if all participants will earn wages at $6.65 or higher at termination; and if participants are retained in employment for 12 months.

MARYLAND

Amount of Grant: $14,940,556
Match Provided: $ 7,470,278
Total Investment in the State of Maryland: $22,410,834
Contact: John P. O'Connor, Secretary
Maryland Department of Labor, Licensing and Regulation
Division of Employment and Training
(410) 767-2999

The State of Maryland will use its Welfare-to-Work funds to enhance and supplement several of Maryland's welfare programs to serve TANF recipients and noncustodial parents. Maryland plans to expand upon current partnerships, including an emphasis on using One-Stop centers and Employment Service offices. One result will be that employers will receive accurate information when they apply for the "Work Not Welfare" and "Worker Opportunity" tax credits. Also, Maryland's Human Services Transportation Coordinating Committee will be encouraging services such as: reimbursing participants' transportation costs, purchasing additional services, and supporting the development of new transportation services. The grants may be used to fund assessments; job readiness activities, including customized training for employers and/or training for entrepreneurial endeavors; post employment services; job retention; community service; work experience; job creation through public and private wage subsidies; on-the-job-training; and transportation, substance abuse treatment, child care, and other support services.

NEW HAMPSHIRE

Amount of Grant: $2,761,875
Match Provided: $1,380,937
Total Investment in the State of New Hampshire: $4,142,812
Contact: Robert A. Stephen, Deputy Executive Director
New Hampshire Job Training Council (JTC)
(603) 228-9500

The State of New Hampshire will use its Welfare-to-Work funds to enhance, supplement, and expand its welfare program to serve TANF recipients and noncustodial parents. New Hampshire's Local Employment Program (NHEP) Support Counselors will provide assessment, individual service plan development, and case management services for WtW eligible individuals participating in the NHEP work program. Services and activities will include assessments, on-the-job training, job creation, substance abuse treatment services, mental health services, workshops on job coping, job readiness and stress management, and non-custodial parenting skills training. New Hampshire will also focus on strategies to share transportation information to help welfare recipients get to and from jobs and to access available child care.

NEW MEXICO

Amount of Grant: $9,715,600
Match Provided: $4,862,000
Total Investment in the State of New Mexico: $14,577,600
Contact: Joan G. Hooper, Welfare-To-Work Liaison Program Specialist
New Mexico Human Services Department
(505) 827-7758

The State of New Mexico will use its Welfare-to-Work funds to enhance, supplement and expand its existing welfare programs to serve TANF recipients and noncustodial parents. Services and activities will include individualized assessment; job retention services; community service programs; paid work experience; job creation; on-the-job training; GED preparation and testing; literacy and Adult Basic Education; life skills training; post-employment services and support services such as child care and substance abuse treatment. New Mexico also plans to provide relocation assistance if a new worker cannot obtain employment within their commuting area but has secured suitable long-duration employment in another part of the State.

VIRGINIA

Amount of Grant: $16,548,621
Match Provided: $ 8,274,310

Total Investment in the State of Virginia: $24,822,931
Contact: David E. Olds, Employment Services Program Manager
The Virginia Department of Social Services
(804) 692-2251

The State of Virginia will use funds to enhance, supplement, and expand its Virginia Independence Program/Virginia Initiative for Employment not Welfare (VIP/VIEW: State Welfare programs) and TANF services to assist TANF recipients, noncustodial parents, and two parent families who have several barriers to long-term employment. Virginia's one-stop network, Career Connect, will strengthen partnerships and will identify service gaps for welfare recipients and local strategies to address them. The State is placing a special emphasis on transportation services. For example, the Virginia General Assembly awarded 17 grants totaling $2.5 million to local agencies to assist them in the development and expansion of transportation services for WtW participants. Other services and activities will include job readiness; job placement; job retention; post-employment services; and support services, such as substance abuse treatment, child care assistance and mental health care.

<u>WEST VIRGINIA</u>
Amount of Grant: $9,805,500
Match Provided: $4,902,750
Total Investment in the State of West Virginia: $14,708,250
Contact: Quetta Muzzle, Director, Job Training Programs/
Employment Service Division
Bureau of Employment Programs
(304) 558-1138

West Virginia will build on its existing welfare system to serve TANF recipients and noncustodial parents. The State is adopting a collaborative approach to improving the capacity of service providers, will have the option of using vouchers for employment and training activities, and will use a variety of strategies to remove lack of transportation as a barrier to employment. For example, welfare recipients will receive reimbursements for travel to work and training sites and welfare to work funds will be used to provide cash incentives, mileage reimbursement and funds to assist with vehicle maintenance for organizations that donate the use of cars to help new workers get to jobs. Additional services and activities will include pre-employment services; workplace behavior training; job shadowing; on-the-job-training; self-esteem development; test preparation skills; post-employment services; tax credits; and support services, such as child care, transportation, housing and substance abuse.

<u>GUAM</u>
Amount of Grant: $ 585,252
Match Provided: Match waived per 48 U.S. Code, Section 1469a.
Total Investment in the Territory of Guam: $ 585,252
Contact: John M. Palomo
Director, Agency For Human Resources & Development
Department of Public Health and Social Services

(671) 475-0797

The Territory of Guam will use its Welfare-to-Work funds to enhance, supplement and expand Guam's existing welfare programs to serve TANF recipients, unemployed noncustodial parents and TANF exhaustees with barriers. The Agency for Human Resources & Development (AHRD) will provide entrepreneurial training that is designed to give welfare recipients the opportunity to engage in some type of business activity, such as home-based work. Participants will be taught business forecasting and how to develop business plans for marketing and selling products from home-based work. Guam will also emphasize supportive services such as transportation and housing. AHRD, in collaboration with the Guam Mass Transit Authority, will provide gas coupons, fleet card issuance, vanpools and carpools. The possibility of establishing contracts with hotels and tour companies that already operate extensive shuttle routes is currently being explored. The Guam Housing and Urban Renewal Authority is operating a Family Self-Sufficiency program which includes the establishment of escrow accounts for participants to help insure rent payments are made.

Welfare-to-Work
Commitments and Hires through July 22, 1998
as Reported by the U.S. Office of Personnel Management

Agency	Total Commitment Thru 2000	Hires Reported Thru July 22	% of Total Year 2000 Commitment Hired since 3/8/97
Commodity Futures Trading Commission	--	2	--
Department of Agriculture	375	281	75%
Department of Commerce	4180	641	15%
Department of Defense	1600	1428	89%
Department of Education	21	25	119%
Department of Energy	55	37	67%
Department of Health & Human Services	300	250	83%
Department of Housing & Urban Development	200	119	60%
Department of the Interior	325	141	43%
Department of Justice	450	155	34%
Department of Labor	120	72	60%
Department of State	220	43	20%
Department of Transportation	400	174	44%
Department of the Treasury	405	939	232%
Department of Veterans Affairs	800	733	92%
Environmental Protection Agency	120	68	57%
Equal Employment Opportunity Commission	--	9	--
Executive Office of the President	6	7	117%
Federal Emergency Management Agency	125	45	36%
General Services Administration	121	82	68%
National Aeronautics & Space Administration	40	20	50%
National Archives & Records Administration	--	24	--
National Credit Union Administration	--	4	--
National Endowment for the Humanities	--	1	--
National Labor Relations Board	--	1	--
Office of Government Ethics	--	1	--
Office of Personnel Management	25	40	160%
Railroad Retirement Board	--	1	--
Securities & Exchange Commission	10	10	100%
Small Business Administration	120	39	33%
Social Security Administration	600	294	49%
U.S. Information Agency	20	27	135%
U.S. Nuclear Regulatory Commission	--	1	--
TOTAL	10638	5714	54%

Temporary Assistance for Needy Families (TANF) Program

First
Annual Report
to Congress
August 1998

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Planning, Research and Evaluation

TANF REPORT TO CONGRESS

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INTRODUCTION

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which replaced the old welfare system with a new program, Temporary Assistance to Needy Families (TANF), designed to focus on work and responsibility and to provide states with flexibility to create the best approaches for their individual circumstances. Overall, between August 1996 and March 1998 there has been a 27 percent decrease in the number of families and recipients on the rolls. The percent of the US population receiving assistance in March 1998 is the lowest since 1969. This report compiles early data about welfare caseloads, family employment and earnings, and state policy choices, to give a preliminary picture of these first two years of welfare reform.

While we will know much more over the coming months and years, the early information presented in this report suggests that:

<u>We have made dramatic progress as a nation on the critical goal of moving families from welfare to work.</u>

Whether it's the employers who have joined the President's Welfare to Work Partnership, the state and local workers who help families find jobs and training, the bus drivers, child care providers, and volunteer mentors who provide day-to-day support to families, or families on welfare themselves, individuals have come together to achieve the goal of moving families from welfare to work.

There is evidence that the Federal government is also doing its share. Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients between 1997 and 2000. Already, Federal agencies have hired over 5,700 welfare recipients, or 54 percent of this goal. As a part of this effort, HHS has already hired 250 people, or 83 percent of its goal.

This report brings together a substantial body of national and state evidence suggesting that there has been early progress on that critical goal and in particular that employment among parents who have received welfare and who are at risk of receiving welfare has increased dramatically. For example:

> Early national data show that 1 in 3 families who received welfare in 1996 -- 1.7 million people -- were working in March 1997. In 1992, before President Clinton began welfare reform through waivers, only 1 in 5 families who received welfare the previous year moved to work so quickly.
>
> The national data also show sharp increases in the proportion of single mothers with low incomes -- the most at risk of welfare receipt and the most likely to be affected by welfare reform -- who are employed, compared to married mothers, who are less likely to be affected by welfare reform. In 1992, the proportion of low-income single mothers with children under 6 who were employed was 35%, about the same as the proportion for low-

income married mothers. By 1997, the proportion for single mothers had risen to more than 50%, while the proportion for married mothers had increased only to 40%.

Evaluations of specific state programs suggest very significant increases in the employment of welfare recipients as a result of state welfare reforms. For example, a recent study of Oregon showed dramatic increases in the employment and earnings of welfare recipients by 11 percent over two years, as a result of state policies that focused on work combined with training and child care supports.

Next year, there will be important new information on employment, as states submit reports on the number of welfare recipients in each state who got jobs this year, how long they held those jobs, and how much their earnings changed over time. States will be submitting these reports in order to apply for the High Performance Bonus, a provision of the statute which allocates $1 billion dollars over five years in prize money to the best-performing states.

<u>We have dramatically increased child support collections and made major progress towards our goal that every child will have the financial and emotional support of both parents.</u>

In 1997, the state and federal child support enforcement program collected a record $13.4 billion for children, an increase of 68% from 1992. Even better news for the future, a record 1.3 million paternities were established in 1997, two and a half times the 1992 figure of 510,000 and the first time that the number of paternities established was greater than the number of out-of-wedlock births. That means that fathers are choosing to take responsibility for their children, the foundation for later emotional and financial support.

<u>In most states, state policy and spending choices have reflected a focus on work rather than a race to the bottom.</u>

Most states have changed their policies to support working families. For example, forty-two states have changed the way they count income under TANF, most of them to enable working recipients to keep more of their check. Thirty-eight states changed their policies about how much recipients can have in a savings account, in order to help families save and move to self-sufficiency. Forty-seven states have given recipients more flexibility to have a car and still be eligible for assistance.

Most states (33 according to this report) have maintained their benefit levels: according to the state plans, nine states have increased while eight have decreased their benefit levels.

<u>The next steps on welfare reform are to invest in all families, including those who have the hardest time finding employment, and to ensure that families have the supports they need -- such as affordable, quality child care -- to hold onto a job, reach self-sufficiency, and avoid the need to return to welfare.</u>

The report includes early information that suggests that the job of welfare reform is not yet done and that everyone -- states, employers, local communities, families, the faith and nonprofit communities -- must continue their commitment. For example, early information suggests that as caseloads drop, the proportion of long-stay families on state welfare caseloads is increasing. State welfare evaluations show that while some state welfare policies have strong effects on the employment of families with more barriers to employment, others mostly have effects on those who are the easiest to employ. We must ensure investments that will enable all families to move to work and self-sufficiency.

In 1997, the President issued a challenge to the Governors, saying, "We have continuing responsibility because it's still a national priority..... We ought to take a look at how we're doing -- our successes, our shortcomings and our continuing challenges -- in four areas: jobs, child care, transportation and child support." This remains critical today: we must continue to invest in families to build on our progress to date and ensure welfare reform that works over the long haul. We must invest in all families, not just those who have the easiest time moving into the work force. And, we must invest in the critical supports that families need to hold onto that first job and succeed at work -- supports such as child care, transportation, child support and ongoing training and mentoring.

Below are more extensive highlights describing the information available to date.

EMPLOYMENT OF NEEDY FAMILIES

A substantial body of evidence suggests employment among the parents at risk of welfare recipiency is increasing dramatically. Between 1992 and 1996, the proportion of previous year AFDC recipients employed the following March increased from 19 percent to 25 percent, and jumped dramatically to almost 32 percent in 1997. This percentage increase means that 1.7 million people were working in 1997 who had received AFDC in 1996. Although the strong economy is undoubtedly a major factor in this increase, there is also evidence that welfare reform efforts - - starting with the waivers the Administration granted to 43 states even before the enactment of the 1996 law - - are playing an important role.

The proportion of low income (under 200% of poverty) employed single mothers caring for children under 18 has increased significantly. Employment among this population has increased from 44 percent in 1992 to 54 percent in 1997. The average annual increases in 1996 and 1997 were over twice as large as in the previous three years.

Low income single mothers, the population of parents most likely to be affected by welfare policy, increased their employment substantially compared to comparable married mothers. In 1992 the proportion of all low income mothers with children under 6 that were employed was 35 percent for both single and married mothers. By 1997, the proportion for single mothers had risen to 50 percent. While employment for all women with children has increased, this trend has been sharper for single women. By 1997, the proportion of employment of low income single mothers with young children increased at a rate 3 times faster than for low income married mothers--15 percent versus 5 percent.

To date, evaluations of specific state programs suggest that increased employment of welfare recipients is a result of implementation of welfare policy change. The increases in employment are frequently in the range of 8 to 15 percentage points. These state specific studies are important because they isolate the effects of state policies from external factors such as the economy. Although they are not nationally representative, the approaches being evaluated are quite typical of state TANF policies. Recently, several promising HHS studies have been released, including a Manpower Demonstration Research Corporation study of the Portland, Oregon JOBS program and Urban Institute study of five states' implementation of work first programs. These studies confirm the view that states are moving individuals into better than minimum wage jobs, however, they were released too recently to include in the report. They, and other studies, will be included in subsequent reports.

The proportion of people working in the period following welfare receipt higher than in the past. Approximately 50 to 60 percent of individuals leaving the welfare rolls are working in the period following welfare receipt. This is comparable to or slightly higher than the 45 to 50 percent of those who left welfare who were working after leaving AFDC based on point in time studies. These studies are suggestive but do not rigorously isolate the extent to which this increase in work results from the strong economy in contrast to policy changes.

TRENDS IN CASELOADS AND EXPENDITURES

There have been dramatic declines in welfare caseloads. Overall, between August 1996 and March 1998 there has been a 27 percent decrease in the number of families and recipients on the rolls. The percent of the U.S. population receiving assistance in March 1998 is the lowest since 1969. As Tables 1:1 and 1:2 show, these declines are spread across almost all of the states.

Date	*Estimated U.S. Population*	*AFDC/TANF Recipients*	*Percent of U.S. Population*
1994	260,660,000	14,225,591	5.5
1995	263,034,000	13,652,232	5.2
1996	265,284,000	12,648,859	4.7
1997	267,636,000	10,936,298	4.1
March 1998	269,239,000	8,910,115	3.3

Early data tells us that although states are reducing spending on welfare programs in the aggregate, some states are actually spending more per family given the reduction in caseloads. Thirteen states spent more per family in 1997 than in 1994, recognizing that a work-based system can require up-front investments. States are using these extra dollars in a variety of ways including investing in child care, up-front diversion, rainy day funds, cash and work-based assistance and on state earned income tax credits. In FY 1997, almost half of the states reported spending more than they are required to spend of their own funds. Specifically, 22 states, or 43%, reported spending above the required maintenance of effort level. Five states reported expenditures which were more than 125% of the maximum required: Alaska, Arkansas, Delaware, Missouri, and South Dakota.

CHILD SUPPORT COLLECTIONS

The nation's child support program has made dramatic improvements in critical areas. In 1997, the state and federal child support enforcement program collected a record $13.4 billion for children, an increase of 68% from 1992, when $8 billion was collected. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992.

There has been a substantial increase in the number of paternities established. The state and federal child support enforcement programs established a record 1.3 million paternities in 1997, two and a half times the 1992 figure of 510,000. Much of this success is due to the in-hospital voluntary paternity establishment program begun in 1994 which encourages fathers to acknowledge paternity at the time of the child's birth. For the first time, we have established paternities equal to the number of out-of-wedlock births.

OUT-OF-WEDLOCK BIRTHS

The birth rate for unmarried women aged 15-44 years decreased slightly between 1995 and 1996. This rate decreased from 45.1 births per 1,000 women in 1995 to 44.8 in 1996. One of the goals of the PRWORA legislation is to prevent and reduce the incidence of out-of-wedlock pregnancies. The Administration for Children and Families issued proposed regulations implementing section 403(a)(2) of the Social Security Act which establishes a bonus to reward decreases in out-of-wedlock births on March 2, 1998, and expects to release final regulations this fall.

Data show that teenage birth rates (under 20 years) have declined. Nationally, the birth rate for teenagers continued to decline in 1996, and has now fallen by 12 percent to 54.4 births per 1,000 women aged 15-19 years, compared with 62.1 in 1991. Teenage birth rates by state vary substantially, from 28.6 (New Hampshire) to 102.1 (District of Columbia).

CHILD POVERTY

According to the official poverty measure, child poverty has declined since 1993 but remained constant between 1995 and 1996. Approximately 20.5 percent of all children were poor in 1996.

The EITC (Earned Income Tax Credit) lifts one out of seven children out of poverty. The decline in child poverty since 1993 is much sharper using a more inclusive measure of income which includes the EITC rather than the official measure. Since 1993, the maximum size of the EITC has increased by 140 percent for a family with two children. Children moved out of poverty by the EITC constitute 14.5 percent of the children who would have been poor in the absence of government programs. Using a more inclusive measure of income that includes FICA employee payroll and income taxes, the EITC and in-kind benefits, including Food Stamps and Housing Assistance, the child poverty rate for 1996 was 16.1 percent.

DEMOGRAPHIC AND FINANCIAL CHARACTERISTICS OF FAMILIES RECEIVING ASSISTANCE

Long term recipients are an increasing percentage of state caseloads. Since FY 1994, there has been a small but steady decline in the percentage of the caseload who have been on assistance for one year or less (36% to 33%) and a corresponding increase in the percentage of the caseload on assistance five years or more (19% to 24%).

Earned income has increased among welfare recipients. The average earnings per family on welfare has increased by 7 percent, from $466 in FY1996 to $500 in FY1997. The percentage of families with earned income has increased steadily from 9 percent in FY 1994 to 13 percent in FY1997.

The average monthly TANF payment has decreased slightly. Monthly TANF payments averaged $362 per family in FY 1997, compared to $370 in FY 1996.

Child only cases accounted for 23 percent of the TANF caseload. While this is a dramatic increase from 10 percent in 1988, the trend seems to be slowing. The 1997 figure is only one percentage point above the 1996 figure of 22 percent and the absolute number of child only cases actually declined from 1996 to 1997.

The average size of TANF families has remained constant. The TANF families averaged 2 recipient children, which is consistent with the data from recent years. Three in every four families had only one or two children. Seventy percent of families had only one adult recipient, and 7 percent included two or more adult recipients.

STATE POLICY CHOICES

Most states have changed the way they count income under TANF to enable working recipients to keep more of their check. Forty-two states have enacted policies to change the way income is counted in determining eligibility and benefits. Most of these have increased their earnings disregards.

Most states have maintained their benefit levels. According to state TANF plans, nine states have increased while eight have decreased their benefit levels.

States policies increasingly support working families. Thirty-eight states raised their general resource limits in order to promote accumulation of assets to achieve self-sufficiency, and 47 states have raised their automobile resource limits. To help families transition off assistance, 29 states indicate they are extending child care benefits for more than 12 months, and 12 states provide transitional medical assistance for more than 12 months.

States are beginning to focus more attention on the hard-to-serve and fragile families. For example, 26 jurisdictions have elected the Family Violence Option to ensure that victims of domestic violence receive appropriate protections and services, and most states exempt parents of infants from work requirements.

States are beginning to turn their welfare offices into employment offices and are taking a variety of steps to reinforce the work message. Almost all states have adopted a "Work First" model for setting individual expectations and responsibility and for structuring employment and training services. This approach emphasizes early entry into the job market. Thirty-two states expect parents to participate in work within six months (compared to the statutory standard of 24 months).

DATA AVAILABILITY

The first annual report to Congress on the TANF program provides the most current data available and attempts to set the groundwork for subsequent reports which will contain a greater amount of information. Not all states were required by the statute to report data under new TANF reporting requirements for any part of FY1997, and among those that were, no state had to report for more than the last quarter of the fiscal year. Furthermore, states are in the process of fully implementing their new data reporting systems.

As might be expected, converting from the old AFDC system to the new TANF system has proven to be very challenging for states and HHS, and all parties have been working diligently to update the data reporting system. However, some data, including information on participation rates in the last quarter of FY 1997, that will be included in future years, are not yet available.

In many areas where HHS is dependent on non-TANF reporting systems to provide data, e.g., measurement of child poverty and out-of wedlock births, data also are not yet available for periods after the implementation of TANF.

Where there is no post-TANF implementation data to report to Congress, earlier data from the AFDC Program has been provided. This will serve as a valuable baseline for subsequent reports. In addition, other important information regarding TANF has been included although it is not required to be in the report by the statute. As data become available throughout the year it will be made public.

OTHER REPORTS

The Bureau of the Census will continue to collect data on the Survey of Income and Program Participation. This data will enable interested persons to continue to evaluate the effects of the TANF program on recipients of assistance and other low income families. The Bureau of the Census will pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

This is one of several reports which have been mandated in PRWORA in order to monitor the well being of children and families on public assistance, and to gauge the success in moving families to self-sufficiency. HHS will also be issuing other reports in the future including an annual ranking of states and a review of the most and least successful work programs, and an annual ranking of states and review of issues relating to out-of-wedlock births. Furthermore, HHS will report beginning 3 years after the date of enactment of PRWORA on the circumstances of certain children and families. This report will provide information on individuals who were children in families that have become ineligible for assistance by reason of having reached a time limit, children born after such date of enactment who have not attained 20 years of age, and individuals who became parents before attaining 20 years of age.

BACKGROUND ON THE MEDICAID "100-HOUR RULE"

OVERVIEW. The new "100-hour rule" regulation gives states increased flexibility to offer Medicaid to low-income, working parents. Under previous welfare and Medicaid rules, a two-parent family could only be eligible for assistance if the primary wage earner was unemployed, defined in regulation as working less than 100 hours per month. Because this tended to discourage parents from working and was not applied to single-parent families, a number of states received a waiver of this "100-hour rule" prior to welfare reform. However, states that did not receive such a waiver cannot do so now because welfare reform locked in place the states' eligibility rules as of 1996.

The revision of the regulation allows all states, including those without waivers, to change the 100-hour rule, thus allowing them to cover two-parent, working families. As such, it eliminates a vestige of the old welfare system that provided disincentives against marriage and full time work. Combined with flexibility in setting income eligibility, this provision also enables all states to cover many low-income, two-parent families under Medicaid.

PROBLEM. Historically, Medicaid was an add-on to welfare, so that, in general, only people receiving welfare were eligible for Medicaid. Welfare (prior to reform in 1996) was limited to certain types of families — in particular, single-parent families or two-parent families where the primary wager earner is unemployed. These "deprivation rules" date back to the creation of the Aid to Families with Dependent Children (AFDC) program, which was targeted toward "broken" rather than poor families.

Since President Clinton took office, the inequities of limiting cash assistance and Medicaid to only a narrow group of two-parent families led to changes designed to encourage work and marriage. Rather than using the regulatory definition of "unemployed" under the old welfare law -- working less than 100 hours per month -- many states received waivers to encourage work by considering parents working more than 100 hours a week as "unemployed." As of 1996, 30 states had received such waivers.

Welfare reform in 1996 limited other states from changing the 100-hour rule to allow them to cover two-parent, working families under Medicaid. It replaced it with a rule that states must, at a minimum, offer Medicaid to people who would have been eligible for welfare prior to the law. States could cover additional groups of people, but only if their income or resources were higher -- not if they worked more hours. While states that received waivers of the 100-hour rule prior to 1996 could continue those waivers, the remaining 20 states plus the District of Columbia were locked into their pre-1996 rules.

REVISED REGULATION. To allow all states the flexibility previously offered under welfare waivers, the Secretary of Health and Human Services is revising the regulations at 45 CFR 233.101(a)(1) to permit states to extend Medicaid eligibility to families whose parents would not have met the 100-hour rule contained in the existing definition. This is a final regulation with a 60-day comment period.

EFFECTS OF THE CHANGE

The following 20 states (plus District of Columbia) did not, at the time of welfare reform, have statewide waivers of the 100-hour rule:

Alabama
Alaska
Arkansas
Colorado
Florida
Kentucky
Louisiana
Maine
Nebraska
Nevada
New Hampshire
New Jersey
New York
North Dakota
Oklahoma
Pennsylvania
South Dakota
Virginia
Wyoming

States with waivers for only subsets of families (e.g., certain counties; only parents under the age of 21) also can broaden eligibility through this revised regulation.

There are two main benefits of this change. First, it eliminates an anti-work and anti-family vestige of the old welfare system. Instead of rewarding work, the 100-hour rule took away health care from two-parent families who increased their hours at work. And instead of rewarding marriage, it punished single mothers who married and gave preference to single over two-parent families.

Second, the revision allows all states the important option of covering low-income parents. While Medicaid coverage of children has expanded, most states have not been able to extend coverage to their parents because of this rule. This change gives all states the flexibility to give the whole family, and not a fraction of it, health coverage. With this flexibility, approximately 135,000 people could gain Medicaid coverage.

WELFARE TO WORK HOUSING VOUCHERS

The President's FY99 budget takes further steps to promote work and welfare reform through a plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

The $283 million proposal will help address the problem, in many regions, that jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. The funding for the Administration's Access to Jobs initiative in the Transportation Equity Act for the 21st Century (TEA-21) will assist states and localities to develop flexible transportation alternatives for welfare recipients and other low income workers. But in some cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

How It Will Work

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

- The additional vouchers will be available on a ***competitive basis*** to local housing agencies, including Indian housing authorities. Applications must be developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council), to ensure that services are coordinated.

- The vouchers will be used where they are ***essential to a successful transition from welfare to work--that is, where housing assistance is critical for a family to get or keep a job.***

- Families who receive the vouchers must be ***eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year.***

The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration's proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

Current Status

Congress has recognized the need for housing vouchers to promote welfare reform, but so far has provided insufficient funding for them. The HUD/VA Appropriations bill passed by the House provides $100 million for 17,700 Welfare to Work Housing Vouchers. The bill passed by the Senate provides only $40 million for 7,000 housing vouchers. The HUD/VA Appropriations conference committee is expected to occur after the August recess.

08/04/98

Welfare Reform Q&As
August 4, 1998

Q: What did the President announce today?

A: Today President Clinton will take new action to promote work and responsibility as he sends to Congress a report showing the welfare reform he signed into law nearly two years ago has helped millions of families make the successful transition from welfare to work. The President will announce that he is eliminating an old vestige of the welfare system so that all states can provide Medicaid health coverage to working, two parent families. He will announce $60 million in new Welfare-to-Work grants for six states and Guam to help the most disadvantaged welfare recipients get and keep jobs. He will announce the latest numbers showing that the federal government is doing its fair share in the welfare to work effort, hiring 5,714 former welfare recipients since April 1997. He will send to Congress the first annual report on welfare reform showing that 1.7 million adults who were on welfare in 1996 were working in 1997, and he will urge Congress to fully fund his Welfare-to-Work housing vouchers proposal so that welfare recipients who need to move in order to work can do so.

<u>100 Hour Rule/Health Coverage for Two Parent Families</u>

Q: What is the 100 hour rule and how are you changing it?

A: Under previous welfare and Medicaid rules, a two-parent family could only be eligible for assistance if the primary wage earner was unemployed, defined in regulation as working less than 100 hours per month. Instead of rewarding work, the 100-hour rule took away health care from two-parent families who increased their hours at work. And instead of rewarding marriage, it punished single mothers who married and gave preference to single over two-parent families.

Because this tended to discourage parents from working and was not applied to single-parent families, President Clinton granted waivers of this "100-hour rule" to a number of states prior to welfare reform. However, states that did not receive such a waiver cannot do so now because welfare reform locked in place the states' Medicaid eligibility rules as of 1996. Today, President Clinton will allow <u>all</u> states to abolish the 100 hour rule if they choose -- ending the last vestige of the old, discredited welfare system and waiving an antiquated and anti-family regulation that prevents many states from providing health coverage to very low income, two parent families.

Q: How will this affect real people?

A: The change will make Medicaid coverage available to approximately 135,000 people.

Q: How many states will be affected?

A: Thirty states received statewide welfare waivers that allowed them to eliminate the 100 hour rule. The remaining 20 states plus the District of Columbia will now have the option of eliminating this provision so they can expand Medicaid coverage to two parent families. These states are: Alabama, Alaska, Arkansas, Colorado, Florida, Kentucky, Louisiana, Maine, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Pennsylvania, South Dakota, Virginia, Wyoming. (Eight of these states -- Alabama, Florida, Maryland, Nebraska, North Dakota, New York, Oklahoma, and Pennsylvania -- had substate waivers and would now be allowed to expand these policies state wide).

Q: How much will this new initiative cost? How will it be paid for?

A: Allowing states to waive the 100 hour rule is expected to cost approximately $600 million over 5 years. The cost of this regulation will be offset by savings from other regulatory policies. Throughout the year, some regulations are promulgated which raise costs and some which lower them. Our record for the past six years has shown that the President is committed to fiscal discipline and the publication of this revised regulation is no exception.

Q: How does the Secretary have the authority to issue this rule if the welfare reform act froze Medicaid rules in place as of July 16, 1996?

A: The welfare reform bill simply referred to the statutory test for "unemployment" in prior welfare law. The secretary retains the ability to revise regulations regarding how to define unemployment.

Q: Why wasn't this 100-hour rule regulation included in the set of regulations implementing PRWORA?

A: This regulation primarily changes Medicaid law, so it was done separately. It is, however, on a fast track -- with publication for this week and an effective date of 60 days after publication.

Q: Aren't most welfare families headed by single parents?

A: In 1997, about 7 percent of families on welfare are two-parent families, though this varies quite a bit by state. Prior to the 1996 welfare reform act, welfare rules discouraged two parent families from receiving assistance. With the flexibility provided in the new law, many states have removed disincentives for two-parents families.

Annual Report on Welfare Reform

Q: What does the annual report say?

A: The annual report to Congress, released today, shows a dramatic increase in the number of welfare recipients who have gone to work since the President signed the welfare law in August 1996. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997. The report also finds that families moving from welfare to work enjoy increases in income.

The report highlights the dramatic decline in welfare caseloads, showing that welfare rolls have declined 27 percent since the welfare reform law was signed and that the percentage of the population on welfare is at its lowest point since 1969. The report also finds that on average states are spending more per person on welfare-to-work efforts than they did before the passage of the 1996 law.

Several other reports also confirm that welfare reform is on the right track. The Urban Institute recently found that, on average, a family's income goes up 51 percent when they move from welfare to a part-time entry level job, and increases even more as they move to full-time work. The Earned Income Tax Credit, which this Administration fought hard to expand in the 1993 budget, is a major factor in making work pay, especially if families take the option to get part of this tax credit in their regular paycheck. And the National Governors' Association recently reported that state spending on child care has increased by more than half, while spending on helping welfare recipients succeed at work has increased by one-third.

Q: Why is this the first annual report to Congress when the law was enacted two years ago? Wasn't this report to Congress due in April?

A: The new law gave states nine months -- until July 1997 -- to begin their TANF programs and thus Congress didn't ask for the first annual report until 1998. While we had hoped to complete the report this spring, we waited so we could include information from several new studies.

Q: Does the report include work participation rate data? If not, why not?

A: The new welfare law required states to record and report their welfare caseloads with information they have never compiled before. HHS has been working diligently with states, providing technical assistance and guidance, to obtain the necessary data to analyze participation rates. With any new reporting system, there have been technical glitches which we are working to resolve.

Welfare to Work Grants

Q: Didn't the President announce Welfare-to-Work Grants in May? How were those different from what he's announcing today?

A: Seventy-five percent of the $3 billion welfare to work funds are distributed on a formula to states, and in turn to local communities, based on their share of individuals receiving welfare and individuals living in poverty. This ensures that resources go to those areas that need the most help. In addition, 25 percent of the funds are available on a competitive basis to innovative programs. In May, the President announced the first round of Welfare to Work competitive grants. Today, the President is releasing formula grants for Maine, Maryland, New Hampshire, New Mexico, Virginia, West Virginia, and Guam. With the $60 million released today, the Department of Labor has now approved $759 million for 38 states plus Guam.

Federal Welfare to Work Hiring

Q: How many welfare recipients has the federal government hired?

A: According to the Office of Personnel Management, the federal government has hired 5,714 welfare recipients since April 1997 when the federal hiring initiative was launched. This is 54 percent of our goal of 10,000 hires by the year 2000. As a part of this effort, the White House pledged to hire six welfare recipients and has already hired seven.

Q: How was the goal of 10,000 hires set?

A: The Federal government is approximately 1.5 percent of the nation's workforce. To meet its portion of the President's challenge to move 2 million people off welfare by the year 2000 -- which amounts to moving about 700,000 adults into the workforce -- the Federal government ought to hire about 10,000 welfare recipients.

Q: How can you hire welfare recipients when government is downsizing and budgets are tight? Are you creating special preferences for welfare recipients?

A: It is true that the government is downsizing. Since the President took office, he has actually shrunk the Federal government to its smallest size in three decades. However, downsizing does not mean there are no jobs to fill. As in any organization, there is a natural amount of turnover in jobs at all levels. The Federal agencies have committed to reaching out specifically to the welfare population to fill those positions. We are not creating any preference such as the one that exists for veterans. We are encouraging the departments to use existing hiring authorities, including programs that allow departments to cut through red tape and hire entry-level workers quickly and easily. We are also encouraging outreach efforts to our federal contractors, grantees and partners.

Welfare to Work Housing Vouchers

Q: The President urged Congress to pass his proposal for welfare to work housing vouchers. Why is this important and what has Congress does so far?

A: The President's FY99 budget takes further steps to promote work and welfare reform through a plan to provide $203 million for 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place. To date, the House has appropriated $100 million (17,700 vouchers) and the Senate has approved $40 million (7,000 vouchers). While this is a good first step, we hope the conference will fund even more.

Other Welfare Issues

Q: Did the President announce new welfare caseload numbers today?

A: No, the numbers mentioned today are the same March figures he released in late May and are the most recent available at the national level. They show that welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent.

Q: The New York Times recently reported that minorities are being left behind in increasing numbers on the welfare rolls as caseloads decline. Does this disturb you?

A: We believe this new information is important and merits close attention. The story suggests that one reason for the difference is that blacks and Hispanics are more likely to live in high poverty areas where jobs are scarce. This is exactly why the President fought for and won the $3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas, some of which are being announced today.

The President's welfare-to-work transportation initiative, which was included in the transportation reauthorization, will also help communities around the country address the challenge that people can't go to work if they can't get to work. And, we are urging Congress to fully fund the President's proposal for 50,000 welfare-to-work housing vouchers which will provide families with stable, affordable housing that is needed to help them get or keep a job. Both of these initiatives will help people who live in concentrated areas of poverty move to where the jobs are.

Q: **The New York Times recently endorsed Senator Wellstone's amendment to the higher education bill to expand educational opportunities for welfare recipients. What is the Administration's position?**

A: The Senate higher education bill contains an amendment that would expand the type and length of eduation programs that can be counted toward a State's "work activity" participation rate. The Administration does not oppose this amendment, but we have other high priority battles we are fighting on the higher education bill. Last September, the Administration made clear to colleges and welfare departments that they have the flexibility to use work study funds to provide jobs to welfare recipients, thereby making it easier for students to stay in school while meeting the welfare reform work requirements. The President's education policies have ensured that college is available to every Amercian, increasing the number of Pell Grants by 220,000, making student loans more affordable, and creating tax free education IRAs and Hope scholarships to cover the cost of college.

Q: **What does the Administration think of the welfare reform plan Mayor Giuliani announced on July 20th?**

A: We applaud Mayor Guiliani's strong focus on work. The President has always said that everyone who can work, should work. A universal work requirement is an ambitious plan for a city as large as New York, and it will require adequate jobs and support services. Through our economic policies, which have created over 16 new million jobs, and our efforts to expand child care for working families, this Adminstration will do its part to help Mayor Guiliani reform welfare.

Q: **There have been criticisms that Mayor Giuliani's workfare program doesn't lead to real jobs and may be displacing city employees. Does the Administration support this type of welfare reform?**

A: The President believes that private sector involvement in welfare reform is critical to its success -- that's why he's worked so hard to launch the Welfare to Work Partnership, which now includes over 5,000 companies in all 50 states that hired 135,000 welfare recipients last year. The President also believes that all work is honorable and workfare can be a valuable component to state and local welfare to work efforts. The Mayor's recent comments indicate that, while workfare will apparently continue to be an important part of his program, he plans to make it part of a broader approach which also includes private sector unsubsidized and subsidized employment.

The President firmly opposes displacing existing employees with new workers from the welfare rolls, and the welfare reform law that he signed prohibits such worker displacement.

Q: When the President signed the welfare reform law he pledged to fix the cuts to legal immigrants. Has he fulfilled this promise?

A: The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the unfair cuts in benefits to legal immigrants that Congress had added to the bill that had nothing to do with moving people from welfare to work and under his leadership many of these cuts have been restored. As part of last year's Balanced Budget Act (BBA), Medicaid and Supplemental Security Income (SSI) were restored to hundreds of thousands of disabled and elderly legal immigrants. The Agriculture Research bill, which the President signed into law in June, restored Food Stamp benefits to vulnerable groups of legal immigrants.

WR - anniversary event

Andrea Kane [illegible] PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Christa Robinson/OPD/EOP, Emil E. Parker/OPD/EOP, Jonathan Orszag/OPD/EOP, William H. White Jr./WHO/EOP

Subject: August 5th Welfare Event

Although this is still fluid, here's how the various announcement might be framed, and an updated list of the announcements for 8/5 event. We probably wouldn't do all of these, but at least we have some to choose from. Note that this is also the 1 yr anniversary for signing BBA including WTW program -- so we should at least note this in remarks, i.e. almost 2 years ago I signed welfare reform act, and one year ago today I signed BBA that included WTW funds to give extra help providing job opportunities to the hardest to place welfare recipients.

We'd release report to Congress showing that two years into the new law, more recipients are working and states are investing more per person. But, there's more to be done as we move into the next stage of welfare reform to ensure a successful transition from welfare to work for more people. We're taking steps to ensure those leaving welfare for work have health coverage, accumlate assets, overcome substance abuse, help hardest to serve move from welfare to work, by:

- Announcing we are waiving old welfare regulations preventing some states from providing Medicaid to two parent families (100 hour rule)
- Endorsing efforts to help former welfare recipients save and build assets, by endorsing the Coats-Harkin Individual Development Accounts proposal.
- Maybe: CASA welfare reform substance abuse demo grants (HHS just put in additional $ into CASA demo to allow them to add another site).
- Maybe: release some more WTW formula grants (I'm checking to see which are in the pipeline).

Jeanne/Sarah/Bill--we should coordinate on looking for the real person to introduce POTUS...someone who went to work, and continued getting medicaid due to 100 hour rule waiver. Cynthia and I were thinking MD or DE would be good places to look, and, it would be neat if we could actually get a male up there since 100 hour rule affects two parent families.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Paul J. Weinstein Jr./OPD/EOP
Jeanne Lambrew/OPD/EOP
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WR - anniversary event

Cynthia A. Rice 07/29/98 11:07:20 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Christopher C. Jennings/OPD/EOP

cc: See the distribution list at the bottom of this message
Subject: Welfare Event

As we discussed Monday morning, I think it makes sense to combine a 100-hour rule announcement with the welfare two year anniversary. We could:

Release the report to Congress showing that two years into the new law, more recipients are working and states are investing more per person in welfare reform.

Announce that we're taking steps to ensure those leaving welfare for work have health coverage, accumlate assets, and are better off than they were on welfare by:

- Announcing we are waiving old welfare regulations preventing some states from providing Medicaid to two parent families (100 hour rule)
- Endorsing efforts to help former welfare recipients save and build assets, by endorsing the Coats-Harkin Individual Development Accounts proposal.
- Announcing grants to states for follow up surveys on recipients leaving the welfare rolls as part of our effort to monitor welfare reform (I'm pushing to have these ready in time -- ASPE's reviewing the grant proposals now, will grant 8 to 10)

Message Copied To:

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