

NLWJC - Kagan

DPC - Box 059 - Folder-001

Welfare - Budget Negotiations

Welfare Reform and the President's 1999 Budget

As the President said in his State of the Union address, we can be proud that after decades of finger-pointing and failure, we are now replacing welfare checks with paychecks. Welfare caseloads have fallen another 2.4 million in the first 13 months of the new welfare reform law, a decline of 4.3 million, or 30 percent, since President Clinton took office. The President's 1999 budget will build on this success, providing several targeted new tools to help even more people move from welfare to work, while restoring certain food stamp cuts which had nothing to do with welfare reform.

Welfare to Work Housing Vouchers

The President's FY99 budget will take further steps to promote work and welfare reform through a new \$283 million 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 vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.

Welfare to Work Transportation

One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs, and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help welfare recipients and other low income workers get to where the jobs are, President Clinton has proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services.

Tax Credits for Employers

The President's budget proposal extends two important tax credits for employers for an additional year. The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. The budget also extends the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers.

Food Stamps for Legal Immigrants:

The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. To that end, the President's 1999 budget proposes to restore Food Stamp benefits for vulnerable groups of legal immigrants. The President's proposals would provide Food Stamp benefits to 730,000 legal immigrants in 1999 at a cost of \$2.5 billion over 5 years. Specifically, benefits would be restored for: all families with children; immigrants with disabilities and elderly immigrants age 65 and older who entered the U.S. before welfare reform was enacted, on the same basis as the SSI and Medicaid restorations in the 1997 Balanced Budget Act; refugees and asylees, whose eligibility would be extended from 5 to 7 years; Hmong immigrants who came to the U.S. after the Vietnam war; and certain Native Americans living along the Canadian and Mexican borders.

WR - budget negotiations

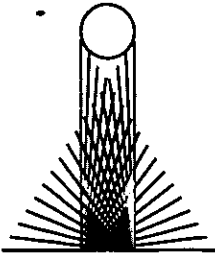
MAJOR RECONCILIATION ISSUES (non-tax)

Administration Position	House	Senate
<p>* Immigrant benefit restorations Consistent with the agreement, restore \$9.7 billion in benefits for all legal immigrants who are or become disabled after 8/22/96</p>	<p>Ways and Means: Restores benefits for current beneficiaries, including the elderly, but not for new applicants (those who were in the country prior to 8/22/96 and became disabled after that date)</p>	<p>Finance: Similar to Ways and Means, but restores benefits for new applicants who become disabled prior to August 1997 (date is in flux).</p>
<p>Food Stamps * Invest \$1.5 billion to restore benefits and create 350,000 work slots for 18-50s; include performance standards and target all funds to 18-50s</p>	<p>Agriculture: Spends \$1.5 billion to create about 190,000 work slots; does not include performance standards and has lower requirement than in Administration policy to target funds to 18-50s</p>	<p>Agriculture: Spends \$1.5 billion to create 250,000 slots; includes acceptable performance standards but only 75% of funds are targeted to 18-50s (vs. 100% in Administration policy)</p>
<p>Welfare to Work * Invest \$3 billion, with a significant share provided directly to cities with large poverty populations</p>	<p>Ways and Means: Invests \$3 billion split 50/50 between formula and competitive grants, with an acceptable share of funds to urban areas through JTPA system (PICs)</p> <p>Education and Workforce: Invests \$3 billion split 95/5 between formula and competitive grants, with somewhat smaller share to cities; funds flow through JTPA system</p>	<p>Finance: Invests \$3 billion split 75/25 between formula and competitive grants; funds flow through TANF instead of mayors, which the Administration opposes</p>

*Provision in the budget agreement

MAJOR RECONCILIATION ISSUES (non-tax)

Administration Position	House	Senate
<p>Minimum Wage Supports minimum wage for welfare recipients in workfare</p>	<p>Ways and Means\Education and Workforce: Denies minimum wage by allowing States to either reduce hours of work requirements or by counting Medicaid/child care/housing/etc. as income for calculating minimum wage</p>	<p>Finance: Not in the draft mark; may be introduced during markup</p>
<p>Student loans Opposes House and Senate proposal</p>	<p>Education and Workforce: Establishes separate entitlement to pay the administrative costs of guaranty agencies; currently, annual funding is determined by the Sec'y of Education</p>	<p>Labor/Human Resources: Same as House</p>
<p>Privatization Opposes any privatization of determination of eligibility functions</p>	<p>Commerce: Allows all States to privatize Medicaid eligibility determinations</p> <p>Agriculture: Allows all States to privatize Food Stamps eligibility determinations</p>	<p>Finance: Allows ten States to privatize eligibility functions for all health and human services programs (including Medicaid, Food Stamps, WIC); approves TX waiver</p>
<p>SSI Maintenance of Effort (MOE) Opposes repeal of MOE requirement</p>	<p>Ways and Means: Repeals MOE requirement</p>	<p>Finance: Does not repeal MOE requirement</p>



Wp - domestic violence

EK -
Still no evidence
of why DV makes them
better off not working.
-BR

May 21, 1997

**NOW LEGAL DEFENSE
AND EDUCATION FUND**

119 CONSTITUTION AVENUE, N.E., WASHINGTON, D.C. 20002 (202) 544-4470 FAX (202) 546-8605

Bruce Reed
White House Domestic Policy Office
1600 Pennsylvania Avenue
Old Executive Office Building, Room 213
Washington, DC 20502

Dear Mr. Reed:

We continue to work on clarifying the intent of the Family Violence Option and making it a useful tool for the states to help families escape violence and poverty in a meaningful way. As you may know, a *Sense of Congress on Family Violence Option Clarifying Amendment* is included in the House Budget Resolution working its way through Congress. This amendment delineates the intent of Congress when passing the Family Violence Option as part of last year's welfare bill. Although the Budget Resolution is not a binding piece of legislation, it shows bipartisan support for the FVO in the broadest sense, and we believe it should be sufficient to instruct the Administration in its regulatory process and in its communications to the states.

In addition to the language in the Budget Resolution, Senators Wellstone (D-MN) and Murray (D-WA) have introduced S. 671, and Representative Roybal-Allard (D-CA) stands poised to introduce similar legislation in the House. If the clarification set forth in the Budget Resolution is insufficient to promote proper interpretation by HHS as it promulgates regulations, we are asking for the Administration's support for this bill which will clarify Congressional intent about the Family Violence Option and give states clear guidance as they implement their welfare plans.

In light of the additional research and data about the occurrence of violence in the lives of welfare families, we believe it is essential that the states have **all the guidance and support** that they need to address this problem and craft workable solutions. Currently, many states are hesitant to elect the FVO for fear of economic sanctions. If the imprecise wording of the Family Violence Option in last year's welfare bill is the stumbling block to a lucid interpretation of this option, then the answer is this Congressional technical clarification. It is imperative that this Administration, with its reputation as a friend to battered women, step forward and support this clarification. We hope that you will look favorably upon our request for your support of S. 671 and use the powers of your office to secure this endorsement.

Many of you already have some or all of the enclosed materials, but we wanted to make sure they were in your hands as the discussions between Administration officials, Congress, the states and advocates continue. Enclosures include:

- ▶ new research done by the Taylor Institute and the University of Michigan
A new, in-depth study, *Trapped by Poverty, Trapped by Abuse: New Evidence Documenting the Relationship Between Domestic Violence and Welfare*, conducted by the Taylor Institute and the University of Michigan which demonstrates the definitive correlation between domestic violence and welfare has recently been released.
- ▶ a *Washington Post* article about the ongoing Better Homes Fund study in Massachusetts
- ▶ FVO clarification legislation, and relevant material
Senator Paul Wellstone (D-MN) and Senator Patty Murray (D-WA), original co-sponsors of the FVO, introduced a bill, **S. 671**, on April 30 to clarify that the FVO waivers are separate from the 20% hardship exemption and that states will not be penalized for going over the 20% to waive domestic violence victims. The bill is only a technical clarification, but it could encourage more states to take the FVO.
- ▶ An article on FVO interpretation and implementation by Martha Davis, NOW LDEF and Wendy Pollack, Poverty Law Project in the *Clearinghouse Review: Journal of Poverty Law*.
- ▶ NOW LDEF's suggestions on proposed HHS regulations

I look forward to hearing from you on this in the near future.

Sincerely,



Pat Reuss
Senior Policy Analyst, NOW LDEF
Chair, National Task Force on Violence Against Women

Wp -FLA

MEMORANDUM

TO: AFL-CIO

FROM: Guy Molyneux and Geoffrey Garin

DATE: June 10, 1997

SUBJECT: Minimum Wage Coverage for Workfare Recipients

Peter D. Hart Research Associates has just completed a national voter survey that includes two questions measuring support for extending minimum wage and other workplace legal protections to welfare recipients in workfare programs. The survey was conducted by telephone June 6 through 9 among a representative sample of 800 registered voters who participated in the 1996 elections. The margin of error on these results is +/-4%.

Strong voter support for minimum wage coverage. The survey results reveal that American voters strongly believe that minimum wage laws and other basic legal workplace protections should apply to those in state workfare programs. The survey question reads as follows:

As you may know, Congress passed a law last year requiring able bodied welfare recipients to work in state workfare programs. Do you believe that the people who are required to work in these workfare programs should be covered by basic legal protections, including the minimum wage law, or do you believe that the states should not have to pay the minimum wage to welfare recipients in workfare programs?

Fully 69% agree that workfare participants should be covered, while just 25% believe that states should not have to pay participants the minimum wage.

We would note that workfare participants are clearly identified in this question wording (*twice*) as still being "welfare recipients," making the strong

favorable response that much more impressive (and meaningful). The breadth of support for minimum wage coverage is also striking, including two-thirds of those with incomes over \$50,000 (67%), professionals (67%), and white voters (67%). Even college-educated men (71%) and Republican voters (62%) favor minimum wage coverage by large margins.

Wage impact argument for coverage is strong. Voters' initial support for coverage doubtless arises from a fundamental sense of fairness. Since other workers receive this protection, they reason, why shouldn't workfare participants in similar jobs? However, organized labor has another, less immediately obvious reason for believing that coverage is needed – namely, the corrosive effect that sub-minimum-wage workfare programs could have on the jobs and wages of low-wage workers *outside* of workfare programs. The survey tested the appeal of this argument for coverage against a powerful opposition case that focuses on the cost of coverage to taxpayers, and finds the wage impact argument prevails by a decisive two to one margin.

Supporters of paying the minimum wage to people in workfare programs say that many employees who currently work at the minimum wage would lose their jobs if workfare participants could be forced to work for less, and also say that exempting one group of workers from minimum wage protections opens the door to undermining the minimum wage for others. (59% agree.)

Opponents of paying the minimum wage to people in workfare programs say that the taxpayers would have to support higher welfare budgets if states are forced to pay the minimum wage, and also say that welfare recipients who want better pay should get off welfare and find a job on their own. (31% agree.)

WR - strategy



Cynthia A. Rice

06/17/97 02:42:29 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Draft Agenda for Weekly Welfare Meeting

Draft Agenda
April 17, 1997

- I. Update: Finance Committee Markup
 - Possible Amendments:
 - Conrad: Strike Privatization
 - Kerrey: Limit Privatization
 - Jeffords: Welfare to Work to DOL and PICs
 - Jeffords: Training as allowable use for welfare to work funds
 - Moseley-Braun: Reserve 50% of Competitive Grant for 100 Cities
 - Moseley-Braun: Strike Performance Bonus
 - Moseley-Braun: Remove Teen Parents in School from Voc Ed Limit
 - Rockefeller: Stronger anti-displacement language
- II. Legal Immigrants: Thursday Vice President Event
- III. Child Support Enforcement - Next Week
 - POTUS letter to Hill with HHS report, Treasury Stats
 - Urge Passage of DOJ/Kohl/Dewine amendment in Juvenile Justice markup
 - ?Leak to USA Today (Information, not Letter to Congress)
- IV. Welfare to Work: How to Highlight our Success in \$3 Billion
 - US Conference of Mayors Speech
 - ?Other Event/Media?
- V. Minimum Wage for Workfare
 - Reed/Sperling Letter to Hill?
 - Reed/Sperling Op-Ed (Response to Offner)
 - Memo to POTUS on end game
 - Events?
- VI. DLC Welfare to Work Conference
 - Before August 22
 - Piggy-Back National Conference of State Legislators Aug. 6-10?

WR - Mabeey



Cynthia A. Rice

06/18/97 07:47:56 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
Subject: Welfare Events

Diana got a somewhat mysterious call from Ann Lewis' office last night inviting us to a meeting which I attended today. It turned out to be a small meeting (Ann, Eli Attie, Jen Palmieri) on the Welfare to Work Partnership proposal for a one-year anniversary event.

They like the idea Eli pitched in his memo to the President to have him go to a city with a significant number of companies pledging to hire welfare recipients. However, they expect the President to be on vacation and unavailable on August 22nd. Moreover, in order to frame the one year anniversary stories for the press, Ann thinks it's best to do an event 7-10 days before the anniversary anyway. Scheduling recommends either August 14 or 15th and Eli has recommended the following cities: St. Louis, Indianapolis, Columbus, and Baltimore. (Second tier choices would be Portland, Denver, Los Angeles, Chicago, New York, Atlanta). At first glance, Ann thought St. Louis would be the best.

If we do the Eli event on the 14th or 15th, perhaps we release a one-year report on the bill at the White House on the 22nd, as you suggested Bruce. I'll start looking into options ASAP.

I used the opportunity to pitch our other ideas as well. Ann suggested that Tuesday would be the best day next week to release the letter from the President to Congress on child support, since it's a down day with no other message currently scheduled. It's likely that timing will coincide well with the juvenile justice mark up. I'll work with DOJ, Treasury, and HHS to coordinate.

20

There was also a lot of support for having the President announce the new caseload numbers (which should show we're down 3 million since Jan. '93) which hopefully will be ready around the first week in July and perhaps combine it with the Child care reg if we don't use that for an immunization event. There are a couple of non-message event days before he goes to Spain (July 3, 4) where he could make a brief statement on the new numbers or at the top of another event July 2. Should we push for a Radio Address? (Since the President will be in Madrid that week, we're likely to be bumped by NSC.) If the numbers aren't ready by the 4th, we could them until he gets back on the July 21st and do something then.

There was less interest in the DLC conference. DLC had proposed holding a welfare to work conference either in D.C. sometime before Aug. 22nd or in Philadelphia during the National Conference of State Legislators gathering Aug. 6-10th. Communications/scheduling preferred the idea of having the President speak to the NCSL conference by satellite because the travel budget is too tight for him to attend, and because they thought it accomplished more than the DLC conference could. Scheduling has regretted the NCSL request already, but Intergovernmental and Scheduling are supportive of revisiting it as a satellite. DLC still wants the President to lead a roundtable discussion on welfare to work, which I think he would enjoy, so they proposed to Christa perhaps having that panel here at the White House and satellite the President's opening remarks to Philadelphia. What do you think? We could develop this idea further for the weekly to get some direction from POTUS.

Thus, this schedule could look something like:

June 24th - child support release

July 2-4th - release new caseload numbers

Aug 6-7th - welfare to work roundtable - DLC and/or NCSL

Aug. 14-15th - Welfare to Work Partnership event in city with companies

Aug. 22nd - release some kind of report on the actual anniversary

BRUCE → Mal argument for a Calif. Strategy *also helping state who'll take it* *Design good effort*

POLITICS & POLICY

In Some Big States, Lawmakers Remain Divided Over How Best to Implement Welfare Overhaul

By JOHN HARWOOD

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Just beyond the unusual bipartisan harmony here over federal welfare overhaul lies a more familiar spectacle: one of political brawling over how that legislation will be implemented in the states.

In Texas, state officials fume that the Clinton administration has surrendered to pressure from labor unions in blocking their plan to hire private companies to administer welfare, food stamps and Medicaid. In neighboring New Mexico, Democratic leaders may sue to stop the Republican governor from unilaterally implementing his welfare plan after he vetoed the legislature's version.

And in giants New York and California, which together account for some 30% of the nation's welfare caseload, months of partisan wrangling between GOP governors and Democratic legislators haven't yielded agreement on crucial issues such as time limits for state aid, benefit levels, the work recipients will be required to perform for benefits, and the financial penalties they will face for failure to do so.

Combined with the impasse over privatization in Texas, the nation's three largest states, with more than a third of all U.S. welfare recipients, remain uncertain over how they will proceed. Texas implemented new rules two years ago but wants to revamp the way it delivers services.

"Congress didn't reform the welfare system," complains Frank Mecca, who heads the County Welfare Directors Association in California. Instead of settling policy disputes, "Washington opened everything up. There are fundamental disagreements over what government owes recipients" of public assistance.

Broad Latitude for States

The reason for continued infighting over the issue, even though the GOP-led Congress overwhelmingly passed last year's legislation and a Democratic president signed it, is that the law gives states broad latitude in fashioning their welfare systems. It imposes some restrictions in return for the lump-sum "block grants" of federal money that states receive from Washington, such as barring most recipients from receiving federal money for more than five years and requiring states to put specified percentages of welfare recipients to work. But states have flexibility in deciding how to accomplish those things and are free to use their money to pay benefits as long as they wish.

That has turned the welfare legislation into a case study in the continuing drive to move more authority and decision-making out of Washington and into state capitals.

The Caseload		
Here are the three largest states...		
	Welfare recipients	Percent of national total
California	2,474,689	21.8%
New York	1,074,100	9.5
Texas	625,376	5.5
And the next three		
	Welfare recipients	Percent of national total
Illinois	599,629	5.3%
Ohio	518,595	4.6
Pennsylvania	483,625	4.3
U.S. total	11,359,582	

The political conservatives who favor the trend actually embrace the varied state-level disputes as evidence that it will yield policies more closely suited to the needs of different regions.

"It's a statement in favor of federalism," says Douglas Besharov, a welfare scholar at the American Enterprise Institute. "That was the whole idea. States are not going to move in lockstep."

But the lingering political hang-ups also mean that, nine months after President Clinton signed the federal law, a big chunk of the nation's welfare recipients still don't know what their new benefits or rules will be.

'War of Public Opinion'

In California, Republican Gov. Pete Wilson's plan would force new recipients to leave the rolls after one year and would require beneficiaries to participate in work activities as long as their children are at least 12 weeks old. "We have won the war of public opinion," says Eloise Anderson, Mr. Wilson's Social Services director.

But Democrats, who recently unveiled a competing proposal with more lenient rules and more money for education and job training, warn that the governor's approach may force an increasing number of Californians into homelessness. Most participants expect a compromise later this year. If the two sides can't agree, says Democratic state Sen. Diane Watson of Los Angeles, "it's because the governor and his people have a demonic strategy" to strengthen his political standing by cracking down on poor people.

In New York, Republican Gov. George Pataki and the Democrats who control the state assembly are locked in similar com-

bat. For example, Mr. Pataki wants to cut cash aid incrementally the longer a beneficiary remains on the rolls, so that someone's monthly benefit after four years would be 45% smaller than during the first year. The governor would keep assisting some legal immigrants cut off under the federal legislation through vouchers rather than cash. Assembly Democrats would provide more generous benefits in both areas.

The stalemate bewilders some of the politicians involved, not to mention the state's welfare recipients. "There's a lot of misinformation and noninformation out there," grouses Democratic Assemblyman Marty Luster of Ithaca, who says the GOP-led state senate has been "deadly silent" on the issue. Meanwhile, adds fellow Democrat Jeffrion Aubry of Queens, "We are sitting on each side of the fence hurling press releases."

Irate over the Clinton administration's stance on privatization, Texas politicians are ready to hurl more than news releases. Republicans in the state's congressional delegation, threatening to push legislation permitting the state to proceed with a privately run "integrated enrollment" system, have summoned White House Chief of Staff Erskine Bowles to a meeting on Capitol Hill this morning. While Gov. George Bush's aides look for ways to get around administration restrictions, the administration has floated the idea of compromising on a limited pilot program to test a privatized system.

Message Gets Muddled

Amid all the wrangling, some of the authors of the federal legislation fear its message of ending unlimited aid and shifting to a work-based system may be getting muddled. "That's cruel," says Rep. Clay Shaw (R., Fla.), who is chairman of the House welfare subcommittee. "The clock is ticking, and this thing isn't going to go away."

It is ticking for local welfare administrators as well as for recipients. In New York and California, falling caseloads and earlier welfare-to-work innovations may ease the task of meeting the initial requirement that 25% of a state's caseload participate in work activities. But that requirement escalates to a daunting 50% of the caseload by the year 2002.

"It's frightening," says Mr. Mecca of the California association of county welfare administrators. "The longer it takes policy makers to decide what they want, the shorter the time bureaucrats have to retool, redesign... and turn 60 years of social policy on its head."

What does he want us to do here? Elena (return)

File - WR - WR-to-wk

Copied Bruce Reed COS

W₂ - Welfare-to-work

▶ Diana Fortuna
06/13/97 03:13:23 PM
.....

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc:

Subject: FYI in case you didn't see it, here's what the President said yesterday at the Business Roundtable on welfare, the service summit, and race

Let me say, finally, that there are a few other things that I think we have to do beyond these three issues of finishing the work of the budget, investing in our people, and expanding trade. This moment of prosperity and stability has given us an opportunity to work together to repair our social fabric, to join together to face those issues which, if we don't face them, could flare into crises and keep us from becoming the nation we ought to be in the new century.

And let me just mention a few. You were kind enough to mention the Summit of Service that President Bush, President Carter, Mrs. Reagan, and General Powell and I and others sponsored in Philadelphia. One of the things we have to do if we want to give our children a better future is to help their parents be gainfully employed. We were able to reduce the welfare rolls dramatically because of a growing economy and because of work we did with states before the passage of the welfare reform bill to help them move people from welfare to work.

Now, this welfare reform bill did two things. It required people on welfare who are able-bodied to move from welfare to work within a certain amount of time, and it gave the states in a block grant funds that used to be spent in a federal entitlement so that they would have more flexibility to create incentives for people to move from welfare to work.

Forty of our states now have a windfall there because they're getting money based on how much they got when the welfare rolls were at their peak, and there has been a 20 percent-plus drop in the welfare rolls in the last three years.

I urge you, in all the states that you're working in, to get the governors, to get the legislators to work with the business community to spend that money in ways that, with your efforts, can move a million more people from welfare to work in the next four years. We moved a million people in the last four when we were creating 12 million jobs -- that had never been done before, the 12 million jobs. Neither had the million people.

Under the terms of this welfare reform law, whether we create 12 million jobs or not in the private sector, we have to move nearly another million people. We have got to have your help. But the states have the power to do things like give employers the welfare check for a year or two to use as an employment and training subsidy for people that are especially hard to place; to spend even more money on child care; to spend money on education and training.

So I implore you to help us do this. It will be a terrible thing if, having called for welfare reform and personal responsibility, the end of it is to wind up hurting poor people. That was never what was intended. The children should not suffer in this. And you are going to have to take the lead in helping to do this.

The second thing I'd like to say is, we have to -- now having faced the structural budget deficit in the country -- we have to deal with the generational deficit. That means we have to have long-term entitlement reform to face the realities of the baby boom generation retiring. And I will be -- as soon as we get the budget out of the way, I'll be working with the bipartisan leadership in Congress on an approach to that, and I ask for your support.

It also means that we have to fulfill the mission of the Philadelphia summit, with the public and the private sectors doing their jobs. Remember what the Philadelphia Summit was about: every child ought to have a safe place to grow up, decent health care, a good education and marketable skills, a mentor and the chance to serve.

And we live in a country where 11 percent of the people over 65 are poor, but 20 percent-plus of the people under 18 are. And we cannot do well unless we do better by our children. So this inter-generational thing is about entitlement reform, but it's also about giving our kids a better chance.

The third issue -- the one I'm going to speak about in San Diego in a couple of days -- and that is the challenge presented to us as we become the world's first truly multi-racial democracy. We have five school districts in America today with kids from over 100 different racial and ethnic groups -- five. We'll soon have 12.

We have -- we all know this, but my Baptist minister from Arkansas came up to see me during the Inaugural and he told me he had a cousin who had a Baptist church across the river here in Virginia that now has a Korean mission and runs English as a second language classes out of the church. There are thousands of stories like this.

And yet we know that there are still dramatically different perceptions among different racial and ethnic groups, starting with the historic tensions that have existed between African Americans and whites in the country and layered on by the successive waves of immigrants that pose great challenges to us.

W2-to-work conference

SCHEDULING REQUEST

May 29, 1997

ACCEPT

REGRET

PENDING

TO: Stephanie Street, Director of Scheduling and Advance

FROM: Bruce Reed, Assistant to the President for Domestic Policy

REQUEST: Welfare to Work Conference hosted by the DLC's Progressive Policy Institute and the Welfare to Work Foundation.

PURPOSE: To demonstrate the President's commitment to moving people from welfare to work, and to urge states to move forward in creating effective "Welfare to Work" programs.

BACKGROUND: Although nearly all states have submitted plans for how they will move people from welfare to work under the new welfare law, most of the plans are "placeholders." So far there is very little evidence that states have engaged private and non-private sectors to create a bridge from welfare to work that will fully meet the challenges of the new welfare law. The President's participation would call attention to model welfare to work programs and provide a road map to help welfare reform succeed.

PREVIOUS PARTICIPATION: The President held a Welfare to Work event on May 20th in the East Room with companies pledging to hire from the welfare rolls.

DATE & TIME: 2 hours. July or early August.
*It is important that this conference take place before the one year anniversary of the signing of the welfare bill on August 22.

LOCATION: Washington, DC

PARTICIPANTS: State and local elected officials, employers, welfare to work program representatives, welfare experts and researchers, etc.

OUTLINE OF EVENTS: The President could moderate the first of three roundtable discussions which is on the topic of welfare to work.

REMARKS REQUIRED: Yes.

MEDIA

COVERAGE: Yes.

RECOMMENDED

BY: Bruce Reed

CONTACT: Christa Robinson x6-5165



518 C Street, NE
Washington, DC 20002
(202) 546-0007
FAX: (202) 544-5002

To: Christa Robinson

From: PPI

MEMORANDUM

Date: May 22, 1997

From: Will Marshall
Margy Waller

To: Bruce Reed, Assistant to the President
Eli Segal, Welfare to Work Partnership

Subject: Second Draft: Welfare to Work Conference Proposal

As promised, here is the proposal for the welfare to work conference with President Clinton. We have incorporated comments from you. We hope that it can be scheduled for July or early August, before the one year anniversary of the bill-signing. We can begin working on a site for the event, and contacting speakers, as soon as the President's schedulers finalize a date.

Title: " A PRESIDENTIAL DIALOGUE: BUILDING THE BRIDGE FROM WELFARE TO WORK "

Sponsors: Progressive Policy Institute, The Welfare to Work Foundation, and a conservative think tank (possibly American Enterprise Institute or the Progress Freedom Foundation).

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Discussion

Concluding remarks: Finishing the Job

Wrap-up by Will Marshall, and others. Call on the corporate leaders and state decision-makers to ensure that we build the bridge to work.



MEMORANDUM

Date: May 22, 1997

From: Will Marshall
Margy Waller

To: Bruce Reed, Assistant to the President
Eli Segal, Welfare to Work Partnership

Subject: Second Draft: Welfare to Work Conference Proposal

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Wrap-up by Will Marshall, and others. Call on the corporate leaders and state decision-makers to ensure that we build the bridge to work.

SCHEDULE PROPOSAL

Date: 4/30/97

 ACCEPT

 REGRET

 PENDING

TO: Stephanie Streett
Assistant to the President
Director of Scheduling and Advance

FROM: Bruce Reed
Assistant to the President or Domestic Policy

REQUEST: Presidential participation in the launch of PSA campaign sponsored by Education Excellence Partnership (comprised of the Business Roundtable, NGA, AFT, NAB and U.S. Department of Education) and Major League Baseball. The Partnership has requested that the President participate in an event at Camden Yards in order to facilitate the participation of Major League Baseball players who will be playing that day.

PURPOSE: To launch a new series of public service ads featuring major league baseball players, that encourage students to work hard in school in order to reach high standards, and encourage parents to be involved in their children's schools. These ads would be the next phase in a series of PSA's sponsored by the Education Excellence Partnership (EEP), led by the national Business Roundtable, and including the National Governors' Association, the American Federation of Teachers and the U.S. Department of Education.

BACKGROUND: The Education Excellence Partnership (EEP) is a coalition of key education, business and governmental organizations that work together to educate the public about the need to raise academic standards. The main vehicle for its work has been a public service campaign featuring TV and radio spots that attempt to build support for increased academic standards, and fulfillment materials that provide greater detail and additional information about ways to get involved in local school reforms. As part of its effort to strengthen this ad campaign, the EEP, led by the national Business Roundtable, has formed a new partnership with Major League Baseball. The new PSA's will feature baseball players in their role as parents. The fulfillment materials for this ad campaign will include examples of academic standards, including those that form the basis for the President's national testing initiative.

PREVIOUS PARTICIPATION None

DATE AND TIME: The President has been invited to participate in an event on July 2, 15, or 17. These dates were selected to coincide with Baltimore Orioles home games as well as the schedules of other likely participants from the Business Roundtable. If none of these dates were available on the President's schedule, it may be possible to negotiate other dates.

BRIEFING TIME: 15 minutes prior to event

DURATION: To be negotiated, though probably 30 - 60 minutes.

LOCATION: Camden Yards, because the organizers believe that major league baseball players will be most likely to participate in an event on a game day if it is held at the ballpark. They would be willing to explore holding the event at the White House if it were more convenient for the the President.

PARTICIPANTS: The President
Norm Augustine, CEO Lockheed Martin
Representatives of the EEP
Representatives of Major League Baseball (including a player to be named later)

OUTLINE OF EVENTS: To be determined.

REMARKS: Yes

MEDIA: Yes

FIRST LADY'S ATTENDANCE: If interested

VICE PRESIDENT'S ATTENDANCE: If interested

SECOND LADY'S ATTENDANCE: If interested

RECOMMENDED BY: Bruce Reed, Mike Cohen

CONTACT: Mike Cohen -- 65575.

Norman R. Augustine
Chairman of the Board
and Chief Executive Officer

April 15, 1997

The President
The White House
Washington, DC 20500

Dear Mr. President:

The Educational Excellence Partnership, which includes the Business Roundtable and the U.S. Department of Education, invites you to participate in the announcement this summer of our new partnership with Major League Baseball, at which time we will also be launching our new public service advertising campaign supporting higher standards in education. These new ads depicting popular baseball players in their role as parents of school children will laud education and urge parents to become involved in their children's schools. This campaign will be a win-win for all involved and should help build public support for education standards as well as Major League Baseball.

We intend to unveil our partnership and campaign in an appropriate event at Camden Yards in Baltimore on July 2nd, which is the day of an afternoon game, or July 15th or 17th, which are evening games. It would obviously be extraordinarily beneficial for all of our efforts if you could attend. Our event would likely be in late afternoon or early evening; once we have identified all our participants we will jointly develop an appropriate agenda.

Working singly and together the members of the EEP have made enormous strides in standards-based education reform since the initiation of our current efforts in 1989, due in no small part to your efforts while governor of Arkansas and the momentum established by your administration. Yet a great deal remains to be accomplished. We hope this partnership with Major League Baseball will prove doubly effective, creating role models for parental involvement through the use of the icons of baseball. We can raise the visibility of our campaign that much higher through your participation. I hope you will give serious consideration to attending.

Sincerely,



Norman R. Augustine
Chairman and CEO, Lockheed Martin
and
Chairman, Education Task Force
The Business Roundtable

SCHEDULING REQUEST

May 29, 1997

___ ACCEPT

___ REGRET

___ PENDING

TO: Stephanie Street, Director of Scheduling and Advance

FROM: Bruce Reed, Assistant to the President for Domestic Policy

REQUEST: Announce the HUD "Officer Next Door Program."

PURPOSE: To highlight the Administration's commitment to making communities safer and promoting home ownership by providing incentives to law enforcement officers to live in low-income neighborhoods.

BACKGROUND: The Officer Next Door initiative will give a 40% discount to public safety personnel who purchase HUD-owned homes in designated areas. HUD has approximately 3,000 homes that it will make available for purchase as part of this one year program. This program will aim to prevent crime by increasing the presence of public safety personnel and giving police a greater stake in the community they are serving.

At this event, the President would call on mayors across the country to participate in the new HUD program. Los Angeles Mayor Riordan in partnership with Fannie Mae and Los Angeles Housing Department launched a similar program in March entitled "Homes for Peace Officers and Firefighters."

PREVIOUS PARTICIPATION: None.

DATE & TIME: June 7-14 (Homeownership Week), or June 23 at the Mayor's Conference in San Francisco.

LOCATION: TBD. Possibly in San Francisco at the Mayor's Conference.
*This is nationwide program with an emphasis on 24 cities, including: D.C., L.A., San Diego, San Francisco, Boston, Newark, Atlanta, Memphis, Columbus, Cleveland, Indianapolis, Chicago, Detroit, Milwaukee, and Hartford.

PARTICIPANTS: Mayors, Police Chiefs, Police officers, Firefighters, State and Local officials, Secretary Cuomo and Regional HUD representatives.

OUTLINE OF EVENTS: TBD.

REMARKS

REQUIRED: Yes.

MEDIA

COVERAGE: Yes.

RECOMMENDED

BY: Bruce Reed
Rahm Emanuel

CONTACT: Christa Robinson x6-5165

Fax Transmission

To: Christa Robinson
Company: White House -- DPC
Fax #: 456-7431

From: Margy Waller
Date: May 22, 1997

**You should receive 4 page(s) including this one.
If you do not receive all pages, please call 202-608-1237**

Message:



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Date: May 22, 1997

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To: Bruce Reed, Assistant to the President
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*Did come
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**Welfare to Work and Changes to Immigrants and Food Stamps Proposals
In the FY 98 Budget
(Outlays in Billions)**

WR - budget negotiations

<u>Welfare to Work</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>5 Year</u>
Welfare to Work Jobs Challenge. The Jobs Challenge is designed to help States and cities move a million of the hardest-to-employ welfare recipients into lasting jobs by the year 2000. It provides \$3 billion in mandatory funding for job placement and job creation. States and cities can use these funds to provide subsidies and other incentives to private business. The Federal Government also will encourage States and cities to use voucher-like arrangements to empower individuals with the tools and choices to help them get & keep jobs.	0.6	1.0	1.0	0.4	0.0	3.0
Enhance WOTC for Welfare Recipients. For employers, the budget proposes tax incentives to create new job opportunities for long-term welfare recipients. The budget would create a much-enhanced credit that focuses on those who most need help -- long-term welfare recipients. The new credit would let employers claim a 50% credit on the first \$10,000 a year of wages for up to two years, for workers they hire who were long-term welfare recipients.	0.0	0.1	0.1	0.1	0.0	0.3
Extend WOTC for 18-50's. The budget also expands the existing WOTC tax credit by including able-bodied childless adults who, under the Administration's Food Stamp proposal, would face a more rigorous work requirement in order to continue receiving Food Stamps.	0.0	0.1	0.1	0.1	0.0	0.3
Subtotal, Welfare to Work*	0.7	1.1	1.2	0.5	0.1	3.6

*Totals may not add due to rounding.

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1998 - 2002</u>
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Restore Benefits for Immigrants

Benefits for Disabled Immigrants.

SSI Costs	1.6	1.7	1.9	1.8	2.0	8.9
Medicaid Costs	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>4.7</u>
Total	2.2	2.4	2.9	2.9	3.3	13.7

The Administration's budget would restore SSI benefits for 310,000 legal immigrants who become disabled after their entry into the U.S., in recognition of the fact that they cannot provide for their own support through work. Of those 310,000 legal immigrant adults, approximately 190,000 would have Medicaid coverage restored. Barring legal immigrants who played by the rules from these safety net programs is unfair and shortsighted.

Benefits for Immigrant Children.	0.1	0.1	0.1	0.1	0.1	0.4
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The welfare reform law denies SSI and Medicaid to many legal immigrant children who become seriously ill, or have an accident and become disabled, and whose families fall on hard times. Under the Administration's proposal, legal immigrant children would continue to be eligible for SSI and Medicaid. In FY 1998, this proposal would protect SSI and Medicaid eligibility for about 8,000 disabled immigrant children, and ensure medical care for about another 30,000 non-disabled children.

Extention for Refugees and Asylees.	0.1	0.1	0.1	0.1	0.1	0.6
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The welfare bill exempted refugees and asylees from the benefit restrictions for their first five years in the country. The budget would lengthen the exemption for refugees and asylees from 5 to 7 years to provide a more appropriate time for refugees and asylees to become citizens. It would protect eligibility for about 17,000 refugees and asylees in FY 1998.

Subtotal, Benefits for Immigrants	2.3	2.6	3.1	3.1	3.5	14.6
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	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1998 - 2002</u>
<u>Food Stamps</u>						
18-50's Work Requirement.	0.7	0.6	0.4	0.3	0.2	2.2
<p>The Administration's proposal reconfigures the "3 in 36" time limit in the welfare statute in 4 key ways: (1) It changes the time limit to 6 months in 12; (2) Provides additional funds of \$280 million total in FYs 97-02 to enable States to create work for people willing to work; (3) Imposes tough sanctions while protecting those who are willing to work; and (4) Provides States with more authority to provide Food Stamps as wages.</p>						
Shelter Deduction.	0.1	0.0	0.1	0.0	0.4	0.6
<p>The Administration's proposal would accelerate planned increases in the excess shelter deduction and would eventually eliminate the cap on the deduction in FY02, allowing low-income families with high housing costs to deduct the full cost of their housing expenses when calculating their net income. 80% of the benefit of this proposal is to households with children.</p>						
Reindex the Standard Deduction.	0.0	0.0	0.0	0.0	0.1	0.1
<p>The standard deduction is a general deduction given to all households. The welfare bill froze it, no longer allowing it to index. The Administration's proposal would reindex it to ensure that benefits keep pace with inflation.</p>						
Vehicle Asset Limit.	0.0	0.0	0.1	0.1	0.1	0.2
<p>The welfare bill froze the Food Stamps vehicle asset limit (the maximum value of a car a household may own) which had previously been indexed. The Administration's proposal would increase and reindex the Vehicle Asset Limit, which has virtually been at the same level since 1977 even though the CPI for used cars has risen 125%.</p>						
Subtotal, Food Stamps	0.8	0.6	0.6	0.4	0.8	3.1

Medical Coverage for Low-Income Disabled Children

	0.1	0.1	0.1	0.1	0.1	0.3
<p>The Administration's budget would allow disabled children who lose their SSI eligibility due to changes in the definition of childhood disability to retain their Medicaid health coverage.</p>						

WR - budget negotiations
and
Family - child care

Options

- 1) Funds in 1999-2002 to help long-term recipients in high unemployment/high poverty areas go to work and keep jobs. Funds would be added to TANF but earmarked for work.
- 2) Funds in 1999-2002 to help long-term recipients in high unemployment/high poverty areas go to work and keep jobs. Funds would be available only if majority of states did not meet work participation rates in prior year. Funds would be added to TANF, earmarked for work.
- 3) Enhanced tax credit for firms that hire long term welfare recipients--fund would pay firm's share of FICA taxes for individuals hired and retained.
- 4) Funds for vouchers for training, job creation, and job placement to help long-term recipients in high unemployment/high poverty areas go to work and keep jobs. Funds would be added to TANF, earmarked for vouchers for individuals.
- 5) Funds in Title XX Social Services block grant, which states could use for work or child care.
- 6) Child Care:
 - a) Make Child and Dependent Care Tax Credit refundable. Cost: bet. \$2-\$5 billion. (Mark Mazur costing specific options by 4/15.)
 - b) Increase the Child and Dependent Care Tax Credit amount to \$3,600 for one child and \$5,400 for two. Increase could be phased in over time. (Mark Mazur costing specific options by 4/15.)
 - c) \$1.4 billion through 2002 for working poor families that CBO says is needed to keep them from getting short-changed by welfare reform (Dodd-Daschle). (This week, CBO is redoing its analysis of the shortfall -- dollar amount would change accordingly.)
 - d) Tax credit to companies for costs of building, renovating and/or operating child care centers (50% credit for eligible activities up to \$150,000 per year per business). Cost: \$2.6 billion (Kohl). (Because this proposal would subsidize already operating centers, Mark Mazur is developing an option that would subsidize only the expansion or creation of new centers, which would cost less.)

- e) Loan forgiveness tax credit in President's budget which could be used for individuals becoming child care workers. Cost: minimal.