THE WHITE HOUSE

WASHINGTON

DATE: 5/9/96

NOTE FOR: SECRETARY RUBIN

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

THE WHITE HOUSE

WASHINGTON

May 2, 1996

The Honorable William F. Winter
Watkins Ludlam & Stennis, P.A.
Post Office Box 427
Jackson, Mississippi 39205-0427

Dear Bill:

Thank you for your letter advising me of the subsidiary corporation created by Foundation for the Mid South to aid in economic development in the Delta area. Because of our interest and early involvement with the Foundation, both Hillary and are gratified by the continued successes stories from your efforts.

I have forwarded a copy of your letter to Secretary Rubin at the Department of the Treasury to let him know of your personal recommendation regarding the Enterprise Corporation's application to the Community Development Financial Institution's Fund for a $3 million grant.

All best wishes to you.

Sincerely,

Mele

Watkins Ludlam & Stennis, P.A.

A Professional Association

Attorneys at Law

633 North State Street
Post Office Box 427
Jackson, Mississippi 39205-0427

Telephone (601) 949-4900
Telecopy (601) 949-4804

Writer's Direct No.

(601) 949-4800

April 16, 1996

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

Dear Mr. President:

Since you were so instrumental in helping us get the Foundation for the Mid South organized several years ago, I thought you would be interested in knowing what a successful enterprise it has become. Don Munro incidentally is now its chairman.

One of the most impressive things that the Foundation has done has been to create a subsidiary corporation to serve as its economic development arm to spur business expansion and job creation in the Delta area of the three states. This organization is known as the Enterprise Corporation of the Delta and has already achieved some impressive results.

The Enterprise Corporation has submitted an application to the Community Development Financial Institution's Fund at the Department of the Treasury for a $3 million grant to expand ECD's ability to service the obvious needs of Delta area businesses. ECD is almost uniquely equipped to handle this role because of its regional development strategy which extends across state lines and because of its strong involvement with the region's private and public sectors.

I hope, therefore, that you can see your way clear to indicate your support for this application, which can do much for the region.

Let me thank you for your many kindnesses to me. In the meantime I wish you the best. You have my continuing support and best wishes in the great job that you are doing.

Sincerely,

Bill

William F. Winter

WFW/sjt

JAMES HOULIK

THE PRESIDENT HAS SEEN
5/9/96

6 May 1996

President and Mrs. Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D C 20006

To Jim Dorskind
for Reply?
yes ✓
no
Jim -
please
handle. T.

Dear President and Mrs. Clinton:

My good friends Philip and Charlotte Hanes urged me to send along my recording of the Robert Ward **Concerto for Tenor Saxophone and Orchestra**, with Charlotte when she visits with you at the White House today. I hope that you enjoy this recording, and the fine tenor piece by Dr. Ward. Bob is a Pulitzer prize winning composer, and he will turn eighty soon. I hope that we can find a way to recognize his contributions to American culture in the period around his eightieth.

I have fond memories of the opportunity to perform with my students at the National Medal of Arts ceremony last October. I am always ready to play a part in keeping the sounds of the saxophone in the White House...call on me if I can ever be of assistance.

With warmest wishes,

Jim Houlik

2771 Tangle Lane · Winston-Salem, NC 27106 · (919) 723-0430

5/9/96

To Jim Dorskind
to put w/other condolence
letters ?

Pres has that
seen

COUNCIL OF AMERICAN AMBASSADORS

May 8, 1996

The Honorable William J. Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

As you know from our letter of April 3, we were deeply saddened over the loss to you and our country of Ron Brown.

When we met on March 13, he could not have been more upbeat about his trip to Bosnia and the importance of the $5 billion civil reconstruction program. At that meeting, we discussed a number of specifics wherein some of our ambassadors--wearing their CEO or former CEO hats--could be appropriately helpful to building the peace there and in other countries. And, we explained that a number of our members are anxious to further significant American business opportunities around the world.

At your convenience, we would value reporting very briefly to you on that conversation which touched on current priorities as Ron Brown saw them and on other ideas for the future.

Sincerely yours,

Ogden

Ogden Reid
President

Enclosure

PS As of possible interest, we are enclosing the latest issue of The Ambassadors REVIEW that includes a piece by Pamela Harriman, an update from Jean Kennedy Smith and "Challenges to Diplomacy Today" by Dick Gardner.

copy also sent to Ickes

Leon/Evelyn/Nash
v. sharp guy
wona help
BC

THE WHITE

WASHINGT

May 8, 1996

Thomas J. Schneider
Restructuring Associates Inc.
Suite 350
1050 Seventeenth Street, N.W.
Washington, D.C. 20036

Dear Tom:

Thanks for letting me know about Ned Powell's willingness to serve the Administration. It's always good to get your insight, and I know he's very sharp. I've passed your letter on to Bob Nash and Harold Ickes so that they too are aware of his interest in helping our efforts here.

Give my best to all. I'm looking forward to hearing about your trip to Australia.

Sincerely,

Bill

He's great

RESTRUCTURING ASSOCIATES INC.

SUITE 350

1050 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

(202) 775-8213

FAX: (202) 223-0346

April 10, 1996

President Bill Clinton
The White House
Washington, D.C. 20500-2000

Dear President Clinton:

I was recently talking with Ned Powell. As you may recall from our golf game, at the end of 1995, Ned sold his manufacturing company for which he was also the CEO. He subsequently has trained to be a mediator for alternative dispute resolution work. He is interested in finding something to do so that he can make a contribution.

I raised with him public service and working on your campaign. He expressed serious interest.

The reason I thought of the White House or the campaign was because Ned has very successfully run (as CEO) two different substantial businesses. In his prior business he had nearly 400 employees. I know that in organizations of that size, the success of the business is due heavily to the leadership of the CEO, where in large businesses many other factors tend to buffer or mediate the actions of the CEO.

In any case if you need someone who has proven management skills, and understands business, I would strongly recommend Ned. If you would like a resume or more information, his telephone number is (804) 355-4333, or call me.

Keep up the great work.

Yours sincerely,

Thomas J. Schneider

Thomas J. Schneider

cc: w/ inc.
Bob Nash
~~Harold~~ Ickes
5/9/96

Clerk

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
5/9/96

May 7, 1996

MR. PRESIDENT:

Jack Gibbons seeks your approval to increase the number of Presidential Early Career Awards for Scientists and Engineers that may be awarded annually from 50 to 60.

OSTP originally believed that a total of 50 awards annually (which you approved in February) would accomplish the objectives of the program. In light of a great deal of agency interest, however, Jack believes an increase to 60 awards annually is justified. This will assure that all sciences are represented and all agencies that wish to be included in the program are accommodated.

✓ Approve ___ Disapprove ___ Discuss

Todd Stern Todd
Helen Howell

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

96 APR 25 P5:26

April 18, 1996

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS
ASSISTANT TO THE PRESIDENT
FOR SCIENCE AND TECHNOLOGY

SUBJECT: Request to Increase Number of Presidential Early Career Awards for Scientists and Engineers

I. **ACTION FORCING EVENT:** Approval of increasing the number of Presidential Early Career Awards for Scientists and Engineers that may be given in any one year from 50 to 60.

II. **BACKGROUND:** On February 1, 1996, you approved replacing the NSF-sponsored Presidential Faculty Fellows Award with the multi-agency Presidential Early Career Awards for Scientists and Engineers, an honorary award that demonstrates the Administration's commitment to higher education and research. The program will help to nurture the development of outstanding new scientists and engineers who are critical to the continued vitality of this country and will also emphasize the importance of science and technology to the advancement of Federal missions.

Originally, we believed that a total of 50 awards, given on an annual basis, would suffice to accomplish the objectives of the program; however, in refining the program for implementation, we find that more agencies wish to participate than initially indicated and that the total request for the number of awards from the original eight agencies significantly exceeds 50. Several agencies -- including the National Institutes of Health, the National Science Foundation, NASA, Commerce, and Energy -- have asked that we request an increase in the number of awards given.

After reviewing the situation, I believe an increase is justified to assure that all sciences are represented and to be able to accommodate other science and engineering agencies that will wish to be included in the program.

III. **RECOMMENDATION:** I recommend approval of increasing the number of Presidential Early Career Awards for Scientists and Engineers that may be given in any year to 60.

IV. **DECISION:**

_____Approve ______ Approve as Amended ______ Reject ______ No Action

Attachment

Bachtel
Monica
Newell
Borchelt

THE PRESIDENT HAS SEEN
1/30/96

THE WHITE HOUSE
WASHINGTON

January 29, 1996

MR. PRESIDENT:

Jack Gibbons recommends that you expand the Presidential science awards in two ways. *1)* Replace the Presidential Faculty Fellows Award with the Presidential Early Career Award for Scientists and Engineers, a 5-year grant of varying amounts financed through existing agency funds. The program would nurture the development of more outstanding young scientists and engineers (up to 50 as opposed to the current 30). Eight agencies would make recommendations and provide funds for the award, rather than just the NSF, as is currently the case.

2) Establish a Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring (a $10,000 grant awarded to as many as 10 individuals and 10 institutions annually). Paid for out of existing National Science Foundation funds, this award would recognize outstanding mentoring programs designed to increase the participation of women and minorities in science, mathematics and engineering. These programs would further your goals of producing the best scientists and engineers for the 21st century, and raising the scientific and technological literacy of all Americans.

Early Career Award: Approve✓ Disapprove__ Discuss__

Mentoring Award: Approve✓ Disapprove__ Discuss__

Todd Stern
Helen Howell

Signed Feb 1, 1996

THE WHITE HOUSE

WASHINGTON

January 24, 1996

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND TECHNOLOGY

SUBJECT: Request for Approval to Broaden Presidential Science Awards

I. RECOMMENDATION: That you approve broadening the Presidential science awards by replacing the Presidential Faculty Fellows Award with a multi-agency supported Presidential Early Career Award for Scientists and Engineers, and establishing a Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring, to be linked with the existing Presidential Awards for Excellence in Mathematics and Science Teaching.

II. ANALYSIS: The Presidential Early Career Awards for Scientists and Engineers (Tab A) will replace the Presidential Faculty Fellows Award. The new award will (1) recognize more outstanding beginning scientists (up to 50 awards versus the current 30); (2) involve the participation of more agencies (eight versus one, the National Science Foundation), thereby, linking the awards more closely with key national goals; and (3) open the awards to some government scientists as well as academics. The nature of the Presidential award, to be conferred annually at the White House, is honorary, demonstrating the Administration's commitment to higher education and research. The new program builds on existing programs with the exceptions of the National Aeronautics and Space Administration and the Environmental Protection Agency which will create new award programs; hence, the award amounts will vary because the Presidential Awardees will be selected from agency programs that differ in the amount of the grant award depending on the sponsoring program's requirements. Agencies and departments will use existing funds for program expenses.

The Presidential Awards for Excellence in Science, Mathematics and Engineering Mentoring (Tab B) will be presented at the same time as the current Presidential Awards for Excellence in Mathematics and Science Teaching. They will provide an opportunity to recognize minorities, women, and the individuals and the organizations encouraging them to pursue careers in science, mathematics, and engineering. Up to ten individuals and ten public or private institutions will be recognized. The award will consist of a grant in the amount of $10,000 and a commemorative certificate. Costs for the Award will be borne within the existing budget of the National Science Foundation.

These awards will provide you with the opportunity in the coming year to touch communities across the country and to emphasize your commitment to our youth and to learning. They will not place added pressure on your schedule or increase scheduling requests.

III. DECISION:

Replace the Presidential Faculty Fellows Award with the Presidential Early Career Awards for Scientists and Engineers

___Approve___Approve as Amended___Reject___No Action

Establish the Presidential Awards for Excellence in Science, Mathematics, and Engineering Mentoring

___Approve___Approve as Amended___Reject___No Action

Tabs (2)

December 15, 1995

Presidential Early Career Awards for Scientists and Engineers

The Presidential Early Career Awards for Scientists and Engineers, administered on behalf of the White House by the National Science Foundation, are intended to identify and honor some of the finest scientists and engineers who are beginning their independent research careers and to provide recognition of their potential for leadership across the frontiers of scientific knowledge during the twenty-first century. The Awards will foster innovative and far-reaching developments in science and technology, increase awareness of careers in science and engineering, give recognition to the scientific missions of participating agencies, enhance connections between fundamental research and national goals, and highlight the importance of science and technology for the nation's future. The Awards will create a cadre of outstanding scientists who will broadly advance science and the missions important to the participating agencies.

In fiscal 1996, the following Federal agencies and departments are working together to honor some of their most meritorious scientists and engineers early in their careers.

Department of Agriculture: Agricultural Research Service; Forest Service, Economic Research Service
Department of Defense: U.S. Air Force, U.S. Army; U.S. Navy
Department of Energy
Department of Health and Human Services: National Institutes of Health
Department of Veterans Affairs
Environmental Protection Agency
National Aeronautics and Space Administration
National Science Foundation

This Presidential Aware embodies the high priority placed by the government on maintaining the leadership position of the United States in science by producing outstanding scientists and engineers and nurturing their continued development. This science policy goal was enunciated in the August 1994 Presidential policy statement, "Science in the National Interest," and targeted as a first phase research initiative in the soon to be released policy document, "Meeting the Challenge: Health, Safety, and Food for America."

The Awards will be conferred annually at the White House following recommendations from the participating agencies. Individuals eligible for the Award must be a U.S. citizen, national, or permanent resident. Each Presidential Award will be of five years duration. As many as fifty Awards, across the participating Federal agencies, may be given in a single year.

December 15, 1995

Presidential Awards for Excellence in Science, Mathematics and Engineering Mentoring

The Presidential Awards for Excellence in Science, Mathematics and Engineering Mentoring, administered on behalf of the White House by the National Science Foundation, seeks to identify outstanding mentoring efforts/programs designed to enhance the participation of groups underrepresented in science, mathematics and engineering. The awardees will serve as exemplars to their colleagues and will be leaders in the national effort to more fully develop the nation's human resources in science, mathematics and engineering. Nominations will be invited for the first competition (1996 Mentoring Award) for what will become annual awards honoring individuals and institutions that have outstanding records of mentoring students from underrepresented groups toward significant achievement in science, mathematics and engineering.

The Award will consist of a grant in the amount of $10,000 and a commemorative (Presidential) certificate. The Award will be made to: an individual who has demonstrated outstanding and sustained mentoring and effective guidance to a significant number of students at the K-12, undergraduate, or graduate education level; or an institution that, through its programming, has enabled a substantial number of students underrepresented in science, mathematics and engineering to pursue successfully and complete relevant degree programs. The Award is expected to be directed back into the recognized activity. The nominees must have served in such a mentoring role for at least five (5) years.

Beyond the mentoring grant, each awardee will be invited to Washington, D.C. for an awards ceremony; recognition events and meetings with leaders in Federal sector education and research; and focused workshops addressing effective mentoring of students from the underrepresented groups.

National Aeronautics and
Space Administration

Office of the Administrator
Washington, DC 20546-0001

April 16, 1996

Dr. Ernie Moniz
Associate Director for Science
Office of Science & Technology Policy
Old Executive Office Building
Washington, DC 20502

Dear Dr. Moniz:

The National Aeronautics and Space Administration is pleased to participate in the Presidential Early Career Awards for Science and Engineering program which recognizes and honors outstanding researchers in the early stages of their careers.

We understand that due to the increased interest by other Agencies in this worthwhile initiative, we may be allotted a fewer number of awards than we originally requested. We encourage your office to take another look at the number of awards, in hopes that the program can be expanded to accommodate a strong level of support from all interested Agencies.

Sincerely,

Pamela Bookman

for Dr. France Anne Cordova
Chief Scientist

UNITED STATES DEPARTMENT OF COMMERCE
The Under Secretary for
Oceans and Atmosphere
Washington, D.C. 20230

MEMORANDUM FOR: John H. Gibbons
Assistant to the President for Science and Technology Policy

Ernest Moniz
Associate Director for Science

FROM: D. James Baker D James Baker
Under Secretary for Oceans and Atmosphere

Mary L. Good Gary R. Bachula, Acting
Under Secretary for Technology

SUBJECT: Presidential Early Career Awards for Scientists and Engineers

The National Science and Technology Council will soon announce a new Presidential Early Career Awards for Scientists and Engineers to recognize and honor outstanding researchers at the outset of their independent research careers, and the Department of Commerce would like to participate in this important program. Because of a misunderstanding regarding eligibility, we did not request an allocation of the original 50 awards when the first request for participation was made. However, the draft award brochure made it clear that the National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST) each have research awards that would be appropriate for the Presidential Early Career Awards, and we want to take advantage of this opportunity to recognize the excellent young scientists working to fulfill Department of Commerce missions. For the 1996 program, we would like to make two awards each to NIST and NOAA scientists. However, we understand that, with the present allocation of 50 awards, this will be a difficult goal to meet. We are writing, therefore, in support of Dr. Gibbons' application to the President to raise the number of awards from the present limit of 50.

THE ADMINISTRATOR

165927

THE WHITE HOUSE

WASHINGTON

96 MAY 9 P9:12

May 9, 1996

CC:
GS
L. Tyson
Hillary

MEMORANDUM FOR THE PRESIDENT

CC: LEON PANETTA
EVELYN LIEBERMAN

FROM: HAROLD ICKES
JENNIFER O'CONNOR

RE: TEAM ACT

This memorandum responds to your request for information about the TEAM Act debate on the Hill.

Section 8(a)(2) of the National Labor Relations Act makes it illegal for an employer to dominate, interfere with or financially support a labor organization. As defined in the NLRA, a "labor organization" has the broad meaning of representatives of employees; it is not restricted to unions only. The purpose of section 8(a)(2) was to ensure that the representatives of employees are democratically chosen without interference of employers.

Section 8(a)(2) was enacted as part of the NLRA in 1934 because in the early part of this century, one of the most popular strategies among employers who wanted to prevent employees from unionizing was to create "company unions" or other forms of phony representation schemes. Employers would set up a "representation" system in which they hand-picked the employees to sit on the committee, maintained control over its discussions and decisions, but told employees that they didn't need a union because they were represented by the committee already and unions would lead to other negative impacts on them. Once section 8(a)(2) passed, these sham unions were illegal.

The House has passed and the Senate is considering a bill, the TEAM Act (Teamwork for Employees and Management Act) that would effectively repeal section 8(a)(2). The TEAM Act would amend the NLRA to permit employers "to establish, assist, maintain or participate in" organizations for their employees, so long as those organizations weren't actually engaged in collective bargaining.

This amendment is extremely troubling to the labor movement. The AFL-CIO argues that the amendment is unnecessary for all employers except those with the worst intentions. For wellintentioned employers, teamwork between employers and employees is already permissible under 8(a)(2). It allows legitimate labor-management cooperation so that employees can play a role in increasing productivity, quality and innovation. Companies may let employees take the lead in identifying problems and finding solutions. Employees can work together in teams and make design and production decisions on their own. Today, 30,000 employee involvement plans are running. Ninety-six percent of large employers have such plans.

Thus, the AFL-CIO argues that the law already permits teamwork and the only result of changing it through the TEAM Act will be to permit employers who want to undermine their unions or organizing drives to succeed. They point out that there are only a small handful of 8(a)(2) cases brought to the National Labor Relations Board each year because employers are able to have teamwork without violating the Act. In the last 20 years, only 58 cases were brought; only 6 are pending at the moment.

On the other side of the issue, businesses argue that the law is somewhat unclear and they are "chilled" from being able to talk to their employees about routine matters. Some non-unionized employers, for instance, who would like to discuss issues with their employees but who don't have a union to talk to, claim they feel they will be violating 8(a)(2) if they sit down with a group of employees to hear their views. Some recent cases and decisions by the NLRB have confused the law and some businesses are unclear on what is and isn't permitted. These businesses, who legitimately want to be able to talk to their employees, plus presumably the businesses who would like to be able to quash organizing drives, are pushing hard for passage of the TEAM Act.

Based on the push for changes to 8(a)(2) and the need of some congressional members to be responsive to constituents, some Members of Congress have developed alternatives to the TEAM Act that would clarify the law without eviscerating it. In the House, Representative Sawyer introduced a substitute bill of this sort, which won wide Democratic support but lost 221-204. The Democrats voted for it instead of the TEAM Act, which passed. While the AFL-CIO didn't "support" the Sawyer amendment, they didn't oppose it because it drew Democratic votes away from the TEAM Act.

Now the TEAM Act is in the Senate. Again, there is discussion of whether there is a substitute which could be offered to give Democrats something to support which "clarifies" the law, but which doesn't repeal 8(a)(2). If such a substitute failed and the TEAM Act passed, then the Democrats and labor movement would look to you to veto it. They see the substitute strategy as a way to ensure a veto wouldn't be overridden. The Vice President announced in Bal Harbour, Florida in February, 1995, that you would veto the TEAM Act. Since then he and you have publicly said that you would veto attempts to repeal 8(a)(2) or legalize company unions. The Administration has not, however, stated that you would veto any changes to 8(a)(2).

There is not consensus within the Administration about what changes, if any, ought to be made to 8(a)(2). White House and Department of Labor staff are working to try to develop alternatives for a substitute to the TEAM Act.

THE PRESIDENT HAS SEEN
5|9|96

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

96 MAY 8 P4:18

THE DIRECTOR

May 8, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Alice M. Rivlin

SUBJECT: Castle-Tanner Welfare Reform Bill

A group of moderate House Republicans and Democrats, led by Representatives Castle and Tanner, recently introduced a new welfare bill for consideration. H.R. 3266 builds upon the vetoed conference welfare bill, the latest NGA proposal, and the Administration's plan. With respect to two out of our three major areas of concern -- welfare-to-work and structural changes -- the bill is generally acceptable, as Attachment 1 shows. The bill could be characterized as relatively consistent with the Administration's priorities and as drawing upon some of the more positive changes proposed by the Governors. Unfortunately, the bill does not do as well in terms of our third concern -- the size of the budget cuts. It adopts most of the Administration's reductions but also makes very deep restrictions on benefits to immigrants.

As you can see from the table below, the overall level of budget cuts in Castle-Tanner are not significantly deeper than the levels in our budget plan. But this masks significant differences. To finance more spending in the welfare block grant, Castle-Tanner makes much deeper cuts in benefits to immigrants. Rather than expanded "deeming," their bill includes bans in SSI and Food Stamps. Under their approach, immigrants legally in the USA-- even those who become disabled-- would be ineligible for assistance.

Comparison of the Vetoed Welfare Bill (H.R. 4), Castle-Tanner, NGA, and the Administration Bill

Projected or Actual CBO Scoring, March 96 Baseline, Billions

	H.R. 4	Castle-Tanner	NGA**	Admin
Savings by Program				
Immigrants	-22	-16	-22	-6
Medicaid Component	*-6*	*-2*	*-6*	*-1*
Food Stamps	-25	-20	-24	-18
SSI Children	-10	-8	-7	-8
Other non-AFDC related	-3	-6	-3	-5
Non-AFDC subtotal	**-60**	**-50**	**-56**	**-37**
AFDC & Related Activities	0	8	8	-1
Child Care	*0*	*4*	*4*	*3*
Contingency	*1*	*3*	*2*	
Other	*-1*	*2*	*2*	*-3*
Total				
Total savings in bills ++	**-59**	**-42**	**-48**	**-38**
Without Medicaid Savings	*-53*	*-39*	*-41*	*-39*

** The NGA bill technically took no position on immigrant provisions. Since their bill is based on HR 4, HR 4's provisions are assumed.

++ Totals do not include $3.2 billion in net welfare savings enacted in the Earnings Test/ Debt Limit bill.

Budget Cuts

This bill typifies the problems that must be faced by anyone simultaneously trying to block grant AFDC, add significant new funding for State work and child care programs, and reach a high budget savings level. While Castle-Tanner proposes higher spending for child care and work programs, they also cut about $42 billion -- $45 billion if you include net welfare savings that were enacted in the Debt Limit / Social Security Earnings Test bill. To save this much while adding funding for work programs and child care, non-AFDC cuts are 35% deeper than the Administration plan, and almost 85% as deep as the bill you vetoed.

Immigrants. The most significant difference between the Administration's plan and the Castle-Tanner bill is their proposal to ban benefits to legal immigrants -- they would cut almost three times as deep as the Administration's plan. The Administration's proposal, which tightens eligibility for legal immigrants through stronger rules for deeming of sponsor's income, would save approximately $6 billion over seven years while Castle-Tanner would save $16 billion over the same period. Castle-Tanner adopts an SSI and Food Stamps ban and deeming for Medicaid -- with limited modifications to reduce the impact. Even the House and Senate Immigration Bill proposals do not include benefit bans. In total, the Castle-Tanner SSI and Food Stamp bans would move approximately 600,000 legal immigrants off the rolls. This would include the primary wage earner in a low income household who lost his or her job due to a crippling accident or life threatening disease.

Most legal immigrants would be banned from SSI until they attained citizenship, including the disabled and those currently receiving benefits. Castle-Tanner would exempt those who have worked for about 5 years, compared to the exemption in H.R. 4 which would have required about 10 years of work. In addition, many legal immigrants would be banned from Food Stamps but, unlike H.R. 4, Castle-Tanner exempts children. Food Stamps is a household benefit though, and this exemption would not provide a household with children the resources necessary to purchase a basic diet.

Unlike H.R. 4, the bill does not ban immigrants from Medicaid. Instead, it restricts access to the program only for those legal immigrants who have had a sponsor promise to provide financial support (i.e., deeming). The deeming policy in the bill is similar to the policies in the House and Senate immigration reform bills, which passed by wide margins. Recent votes in the Senate to make the deeming policy for Medicaid in immigration reform a little closer to the Administration's position were defeated by wide margins. (See Attachment 2 for more information on immigrant issues.)

Welfare-to-Work

The Castle-Tanner proposal looks pretty good in this area. The plan builds on recommendations made by NGA, allowing more flexibility for States to meet the work rates while more adequately matching resources to requirements. The proposal would allow States to count those who leave welfare for work toward the participation rates, and would give States the option to require only part-time work for mothers with young children -- two provisions that make it more realistic for States to reach the high work standards. The plan provides the same, generous level of child care recommended by NGA -- $4 billion above the Conference level -- but adds an extra $3 billion in work funding for States who demonstrate the need for such resources to meet the work requirements. On the down side, the Castle-

Tanner proposal retains an objectionable Conference provision that would give States a perverse incentive to simply cut families off assistance in order to reduce the participation rates.

Structural Concerns

With the exception of the AFDC program, the structural changes to the income assistance programs opposed by the Administration and included in H.R. 4 and the Governors' proposal were not adopted by the Castle-Tanner bill. None of the egregious proposals intended to erode the national strength of the Food Stamp program -- a Food Stamp block grant, an annual spending cap, or unreasonable waiver authority -- were included in the bill. Furthermore, the bill does not propose to block grant Child Protection or Child Nutrition Programs. And the changes to the SSI program are very similar to the Administration's proposal.

In AFDC, the individual entitlement to benefits, which we would prefer, is eliminated, but the proposal would make a number of changes to the Conference block grant to increase its overall acceptability.

- The **contingency fund** is improved, including a higher funding level, a trigger mechanism based on the Food Stamps caseload, and the capacity for further expansion during national recessions.

- State **maintenance of effort** (MOE) requirements are higher. The base MOE level is set at 85 percent (compared to 75 percent in the conference bill), with up to 5 percent increases or decreases based on work performance. The definitions of allowable expenditures remain very loose, however, and the Secretary may not enforce the MOE requirement when "the State has reasonable cause for failing to comply."

- Provisions for the **equal protection of individuals** are improved. Eligibility and benefits would have to be determined in an equitable manner and provided with reasonable promptness, families in similar circumstances would have to be treated similarly, and those denied assistance would have the right to a fair hearing. While the proposal does not provide the full degree of individual safeguards sought by the Administration, the most critical elements are included, and the Secretary appears to have broad oversight in this area.

- The Administration supports **mandatory vouchers** to protect children cut off assistance due to time limits of any duration. Castle-Tanner would require States to provide vouchers to children when States set time limits shorter than five years, but would make vouchers only optional beyond the Federal five-year time limit.

- The proposal would maintain **categorical Medicaid eligibility** for cash welfare recipients. It does not, however, address the issue of Medicaid for recipients who lose cash assistance due to time limits or other State eligibility changes, and does not reauthorize transitional Medicaid (which provides 1 year of coverage for those leaving welfare for work). This could lead to lower health care coverage for some low income families. For example, while poor children born after 1984 would generally retain coverage, children born in 1984 or before and parents might lose access to Medicaid in many States. The Center on Budget and Policy Priorities estimates approximately 1.5 million children over age 12 who currently receive Medicaid based on their eligibility for AFDC could lose coverage. In addition, some proportion of the 4 million adults now on AFDC could lose coverage due to either the time limit or State eligibility changes.

Another important point to note about the AFDC structural change proposed by Castle-Tanner -- in comparison to the Administration's plan which does not block grant AFDC benefits -- is the budgetary effect of increasing funding for child care and work. Castle-Tanner block grants AFDC and related programs at roughly the current levels. In order to increase funding for child care and work and still reach a higher overall savings target, deeper reductions in other programs are needed to offset the child care and work increases. Castle-Tanner's deep immigrant cuts are used to do this. By contrast, the Administration provides substantial amounts for child care and work, but pays for them without increasing the overall costs of AFDC-related reforms by eliminating an out-of-control and rapidly growing part of the AFDC system known as Emergency Assistance. Immigrant or other cuts are therefore not needed to fund the Administration's child care and work programs.

Conclusion

By and large, the House moderates have made a proposal that meets many of our stated concerns. The structural changes included in the bill improve significantly upon the vetoed conference report and the NGA proposal, and the provisions to refocus the welfare system on work are greatly strengthened compared to H.R. 4. The Castle-Tanner bill, however, proposes overall budget reductions that are very deep on benefits for immigrants.

Congressional Moderates' Positions on Welfare Reform	
	Castle-Tanner
AFDC, WORK, & CHILD CARE	
State Funding/Maintenance of Effort (MOE) Issues	
Overall MOE -- Raise level to 80% or higher	+
Transferability -- Allow transfers to child care only; prohibit transfers to Title XX Social Services Block Grant	+
Contingency Fund -- Require 100% MOE to access funds	+
Child Care -- Include State match on additional child care funds	+
Contingency Fund	
Base Fund -- Increase to $2 billion and make permanent	+
Recessions -- Allow further expansion of fund during recessions	+
Work Participation -- Greater State flexibility to meet work rates	+
Family Cap -- Provide complete State flexibility	-
Equal Protections -- Require States to establish fair and equitable treatment provisions and develop State accountability mechanisms	+
Vouchers -- Mandatory after five-year time limit	0
Medicaid -- Maintain categorical linkage with AFDC	0
FOOD STAMPS	
Optional Block Grant -- Drop any version from bill	+
Annual Cap on Program Spending -- Drop from bill	+
Shelter Deduction -- Do not change current law	+
Time Limits/Work Requirements on 18-50s -- States must offer work slot before terminating benefits	+
IMMIGRANTS	
Bans -- Drop Food Stamps and SSI bans	-
Medicaid -- Drop Medicaid ban	0
OVERALL SAVINGS TARGET	
Administration, -$38; Castle-Tanner (House Moderates), -$42	

(+) indicates position consistent with Administration; (-) indicates position inconsistent with Administration; (0) indicates partial support

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ATTACHMENT 2: SUMMARY OF BENEFITS FOR IMMIGRANTS PROVISIONS

	Approaches based on Bans			Approaches Based on Strengthened Deeming		
Provision	**H.R. 4 - Welfare Conference**	**Castle-Tanner Welfare Bill**	**Chaffee Breaux (highly preliminary)**	**S. 1664 Senate Immigration**	**HR. 2202 House Immigration**	**Administration**
Eligibility Bans	*SSI and Food Stamps* - applies to most immigrants. *Future Immigrants* - 5 year ban on all federal means tested programs including Medicaid	*SSI and Food Stamps* - Same as HR. 4 except children under 18 exempted from bans. *Future Immigrants* - Same as HR. 4 but no 5 yr. Medicaid ban.	*SSI Only*- grandfathers some current recipients. *Future Immigrants* - same as HR 4, including Medicaid. Would also include Food Stamps.	No bans	No bans	No bans
Deeming	Until citizenship for new immigrants Applies to nearly all federal means-tested programs, including Medicaid.	Same as HR. 4 Applies only to Medicaid.	Same as HR 4. Applies to nearly all federal means-tested programs, including Medicaid and Food Stamps.	Until citizenship or 40 quarters of work for new immigrants. 5 years for immigrants in the country Applies to all federal needs-based programs, including Medicaid.	Until citizenship for parents and adult sons and daughters of citizens; 7 years or citizenship for spouses; until age 21 or citizenship for children. For new immigrants. Applies to all federal needs-based programs, including Medicaid.	Until citizenship for new applicants. Current law exemptions, including those disabled after entry. Applies to SSI, AFDC, and Food Stamps.
Exemptions	<u>Bans-</u>*Immigrants:* refugees, asylees, etc., veterans and families, those with 40 quarters of coverage who didn't receive benefits. *Programs:* emergency Medicaid, disaster aid, child nutrition, immunizations, foster care, certain in-kind aid, secondary and elementary education and higher education assistance. <u>Deeming</u> -- *Immigrants:* those with 40 quarters of coverage (10 years work) who didn't receive benefits *Programs:* same as above.	<u>Bans-</u>*Immigrants:* Same as HR 4, *Plus*, disabled children, battered women and children, children on food stamps. *Programs:* Same as HR 4, except Medicaid would not be part of the 5 year ban. <u>Deeming</u> -- Same as HR. 4	<u>Bans</u> - *Immigrants:* Same as HR. 4, *Plus* those <u>currently in the country</u> who are over age 75 or disabled. *Programs:* Same as HR 4 <u>Deeming</u> -- Same as HR. 4 *Programs:* Same as HR.4 plus Head Start, programs the AG determines are necessary to obtain food and shelter.	<u>Deeming</u> - *Immigrants:* those with 40 quarters of coverage who didn't receive benefits. *Programs:* any program administered by non-profit service providers, Child Nutrition, WIC, and any program determined by the Attorney General to be necessary for life, health and safety (homeless shelters) (Emergency Medicaid, disaster assistance, public health, pre and post partum Medicaid would be deemed.)	<u>Deeming</u> - *Immigrants:* battered women and children, those with 40 quarters of coverage who didn't receive benefits. *Programs:* emergency Medicaid, disaster aid, child nutrition, immunizations, domestic violence and child abuse, student assistance under title IV, V, IX and X of the higher ed act and many community and migrant public health centers.	<u>Deeming</u> - *Immigrants:*: those who become disabled after entering the country, those over age 75 with five years of residence, veterans and their families and those with 20 quarters of coverage. *Programs:* only applies to SSI, AFDC and Food Stamps. No exemptions necessary.
State Options	State option to ban most legal immigrants from AFDC, Medicaid, SSBG and State programs. States could apply federal deeming rules to State means-tested programs.	Same as HR. 4	Same as HR. 4	States could apply federal deeming rules (not bans) to State needs-based programs.	States could apply federal deeming rules (not bans) to State means-tested programs.	States could apply federal deeming rules (not bans) to State cash assistance programs.
Seven Year Savings (CBO estimates)	$ 22 billion	$ 16 billion preliminary	$12 to 14 billion preliminary	$ 6 billion	$ 4.5 billion	$ 6 billion

NOTE: This table provides <u>highly</u> summary information. There are many technical details within and differences between the bills which are not provided.

May 8, 1996 *DRAFT*