

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 28, 1970

FOR BILL TIMMONS

At his invitation I had lunch today with Senator Ribicoff to discuss his proposed amendments to FAP.

It was an entirely friendly occasion. He seems genuinely interested to see that a good bill is passed at this session. (He hopes the Finance Committee can get it out by mid-June at latest.) He knows we are "broke," and that money will be short for some time. He knows the conservatives on the Finance Committee are getting a bit nervous. But all-in-all, he seems to want to work out something with us.

He reports that Senator Long had said to him "If the two of us can get together and fight back-to-back on this issue, we can handle the whole Senate." But when asked, he allowed that he had not discussed his particular amendments with Long. He feels, however, and with good reason I am sure, that the Democrats on the Committee do look to him in these matters, owing to his experience as Secretary of HEW and such like. (He also agrees that only a Republican President could get the Republican members to go along.)

He definitely feels that the key issue of the moment is this business of those states in which a person without a job would earn more than one with a job, owing to the State Supplement. As we entered the Senate dining room he stopped Senator Bennett to ask "What would it take to make you vote for the President's bill." Bennett answered to the effect that we would have to solve this problem.

I went over the list of amendments he had proposed. I indicated that with one exception none of them gave me any ideological shudders. Our problem was simply that we didn't have the money for such extensive additions. I did however have a problem with the exclusion of mothers of childrens under 14 years of age where no adequate child care facilities are available. I explained that the work requirements were essential to maintaining conservative support for the bill. He allowed that he wasn't sure how much support he would get for this amendment. And he indicated he knows we have money troubles.

Ribicoff is a bit upset that in a speech in California, Secretary Finch described him as trying to "Christmas tree" the bill.

He will have to leave tomorrow's hearings early as his son is very ill, but obviously needs some attention to. In particular, I told him that while I could not offer any official response to his amendments, I would see that they were carefully looked at down here.



Daniel P. Moynihan

Copies sent to:

Ed Morgan
Don Webster
Don Rumsfeld
John Ehrlichman
John Veneman
Jerry Rosow
Howard Cohen
Ken Cole
Dick Cook
Gene Cowen
Jeb Magruder
Dick Nathan
Robert Patricelli
John Price

The states that now assist the working
poor are:

New York
New Jersey
Pennsylvania
Massachusetts
Rhode Island
Illinois

Comparisons of Working Poor and Non-Working families under H. R. 16311

This assumes a state which now pays \$3000 to a family of four but does not supplement the working poor. (A fairly representative state) *Hawaii, New Hampshire, North Dakota, South Dakota, Iowa, Kansas.*

	<u>Family Earnings</u>	<u>FAP level</u>	<u>State Supplement</u>	<u>Total</u>
Working	\$720	\$1600	\$ 0	\$2320
Non-working	720	1600	1400	3720
Working	1000	1460	0	2460
Non-working	1000	1460	1353	3813
Working	2000	960	0	2960
Non-working	2000	960	1187	4147
Working	3000	460	0	3460
Non-working	3000	460	1020	4480
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Working	2000	960	0	2960
Non-working	0	1600	1400	3000

Specific Amendments Which Might be Discussed with Mr. Moynihan.

584 -- National goal by 1976

588 -- Authorize Federal share in state payments to working poor.

Only a few states presently make the working poor eligible.

Your amendment would assist these states and give an incentive to other states to make such payments.

Cost -- \$20 million (for those now paying working poor)

593 -- Excludes mothers of children under 14 from work requirements if no day care facilities are available.

No Cost

594 -- Permits use of simplified declaration form for FAP applicants.

NO Cost

595 -- Requires Federal control of eligibility and hearing procedures in the federally funded FAP program.

No Cost

597 -- Directs the Secretary to assure that all applicants may establish their eligibility for both Federal and state programs at a single point of contact.

No Cost

AMENDMENTS INTRODUCED BY SENATOR RIBICOFF

1. Provides as a minimum national goal that, by 1976, all citizens are assured of an income adequate to sustain a decent standard of life.

Instructs the Secretary of Health, Education and Welfare to report to Congress within 18 months of the final enactment of this legislation with specific recommendations as to means to meet this goal.

2. Increases, in 1972, the basic federal payments under the Family Assistance Plan to \$550 for the first two members of a family, and \$350 for others (\$1800 for family of four).

In 1973, the allotments become \$600 and \$400 (\$2000 for family of four).

Fiscal	72	73	74
	0	450	900

Adds a cost-of-living adjustment.

3. Expands Family Assistance Plan to include childless couples and other unrelated individuals over the age of 25.

	72	73
	900	1000

4. Increases the federal financial share of State supplementary payments to 40% in 1972 and 50% in 1973.

	72	73
	0	1300

5. Provides for a Federal share of payments by States which supplement the "working poor". Such share shall be equal to the Federal share in other State supplementary payments.

	72	73
	20	20

6. Directs States to meet their own standards of need by 1973.

Under present law, states are required to calculate the amounts of money required for basic subsistence. This amendment requires states to supplement the Federal minimum payment up to these need standards in three steps.

	72	73	74
	100	250	400

7. Raises Federal share of payments to the Aged, Blind, and Disabled to 100 percent of the first \$65 and 50% of amounts above that in 1972; to 100% of the first \$65 and 75% of amounts above that in 1973; and to 100% of the first \$110 in 1974.

	72	73	74
	0	300	700

Provides for full federal administration of the adult programs by 1974.

Redefines Aged to include those over the age of 60 and widows over the age of 50.

8. Strengthens the existing provisions authorizing "special work projects" to provide for work in the public interest such as conservation, health, public safety. Earmarks at least 20% of the funds authorized under Part C for such special work projects.

9. Authorizes the Secretary to expend funds for capital construction of child care facilities where he has found renovation, remodeling unfeasible.

10. Redefines work requirements to exclude mothers of children under 14 years of age if there are no adequate child care facilities available.

11. Permits use of simplified declaration form or application for Family Assistance applicants as well as for applicants in the Adult programs.
12. Requires federal control of eligibility procedures and the hearing process under the Family Assistance Program.
13. Amends Section 446 to prohibit recovery of overpayments to a recipient where the recipient was not at fault and recovery would defeat the purposes of this Act.
14. Directs Secretary to devise regulations permitting recipient or applicant to establish his eligibility for both Federal and State assistance at a single point of contact.
15. Redefines "earned income" in Section 443 to include support payments and servicemen's allotments.

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