

1 rolls.

2 And so we are collecting about \$500 million a year, if I
3 recall, or almost that much, for the family not on the AFDC rolls,
4 the purpose being to keep them off the rolls.

5 Unfortunately, that program expired. We passed legislation
6 through the Senate to continue the program. The House passed
7 legislation to continue the program, but there was some ambition
8 on the House side to add some things to that. Some very well-
9 intentioned people thought it would be good for the country by
10 adding on these additional amendments.

11 The bill did not pass; it got caught in the adjournment
12 pressure in the last question and failed to pass.

13 So it is urgent that this program be continued now. We
14 have a letter from the General Accounting Office advising us that
15 no more payments can be made.

16 I fear that maybe some of the payments that have been made
17 will be illegal under their ruling, so we need to pass this. We
18 need to pass it now so that these mothers who are dependent
19 upon services, they are paying for it, I understand. They pay
20 a fee for these services, but it requires some funding to have
21 the lawyers in place and the people available that they need this
22 help to help support their families.

23 And we should extend this program.

24 I would like to offer this amendment on that countervailing
25 duty bill that is out there on the floor. We do not have the

1 opportunity to meet in Executive Session and formally approve
2 it, but I would like to explain it to the members who are here,
3 and I hope to communicate with all the other members who are
4 not here, hoping that they can understand and can at least support
5 an extension of this program and could go along in offering this
6 amendment.

7 Senator Talmadge. If the Chairman would yield at that point,
8 I wholeheartedly concur in everything the Chairman has said. I
9 think it is appropriate that we move expeditiously because, as
10 he points out, this is a program that saves the Federal govern-
11 ment and the taxpayers money, and I think that it is entirely
12 in order that this committee act and authorize you to offer an
13 amendment on the Senate floor when this bil comes up this after-
14 noon on behalf of the Senate Finance Committee.

15 I have one further comment. I think we are involved in a
16 similar situation with the WIN program, are we not, Mr. Galvin?
17 Is there not a drafting error in the bill that we passed?

18 Mr. Galvin. There is such a drafting error, but it is not
19 quite as serious as the child support. Child support will get
20 no funding for the quarter starting the 1st of April.

21 Senator Talmadge. The WIN program, now, through a drafting
22 error we omitted certain language?

23 Mr. Galvin. The WIN program is the WIN tax credit that we
24 are dealing. The drafting errors in that disallowed any payments
25 under the tax credit for the period September 26th through

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1 January 1st.

2 Senator Talmadge. Does the Chairman want to include that
3 in his amendment, or would he prefer to wait?

4 The Chairman. If that is something where we could have a
5 few days to work on it, I would rather hold up on that, because
6 this matter expires completely. We only have a few days to take
7 care of this matter before some things start happening that will
8 be irresponsible.

9 Senator Talmadge. I will not press it at this time, Mr.
10 Chairman.

11 The Chairman. I will put it on the next vehicle.

12 Senator Talmadge. I will not press it at this point, but I
13 think we have an identical situation on the WIN program. Through
14 some drafting error, we did not provide for payments for the last
15 quarter of last year.

16 Is that correct, Mr. Galvin?

17 Mr. Galvin. No payments on the tax credit, that is right,
18 sir.

19 Senator Talmadge. I will not pursue it.

20 Mr. Galvin. This is something, Senator, that could be
21 recovered by resubmitting the tax form. The child support money
22 is going to close down that part of the program by the 1st of
23 April.

24 When we had the crisis back on October 1st. what happened
25 there, states were closing down their programs under the Child

1 Support non-AFDC families only. It was dropped only because
2 HEW found that under the continuing resolutions, Public Law
3 95-482, that it could be continued to be covered under that, and
4 it has been covered for the first two quarters.

5 However, the General Accounting Office has now ruled that
6 it cannot be covered under that, so you have a crisis period that
7 is coming up no later than Monday morning.

8 The Chairman. We have not called an Executive Session for
9 this purpose. What I would suggest is that we simply regard this
10 as a discussion that took place among some of the committee
11 members, not a committee meeting as such, but I will explain it.
12 I have explained this to the members that I could reach, and I
13 will try to explain it to the others so they will understand
14 what we have in mind.

15 Frankly, it is something that should be discussed at a
16 previous meeting. Any Senator can offer such an amendment. I
17 will offer it and just explain that I discussed it with the
18 members that I could reach.

19 Senator Dole. Mr. Chairman, I do not have any objection and
20 I do not know of any on the Republican side except the general
21 objection that Ambassador Strauss was very insistent that we not
22 add any amendments to the countervailing duty proposal. I have
23 agreed to withhold an amendment on carryover basis and add it to
24 the legislative proposal, that we hope we can work out some
25 consent agreement.

1 I think, perhaps, in the case you suggest where the legisla-
2 tion is about to expire, there probably should be an exception
3 made. I personally do not have any objection, but I think that
4 is one possible danger. If there is one amendment offered, it
5 may invite other amendments from other fertile areas in the
6 Senate.

7 The Chairman. If we had some other bill that was going to
8 go down to the President's desk between now and April 1, which
9 I thought the President was going to sign, I would be glad to
10 hold off and offer it on that, but that is not quite the case,
11 and I want the Senator from Kansas to know that I will help him
12 to pass legislation that he thinks is important about the carry-
13 over basis. I think he is right about it. I will help him
14 reach a legislative decision on it.

15 I approve of what he is trying to do. He is trying to send
16 it down there on a bill where it can be judged on its own merits
17 and I think he is using a statesmanlike approach, knowing the
18 President is likely to veto it, he is not going to put it on
19 something that will face the problems of government, but he is
20 entitled to an answer from the House, the Senate and the President.
21 He will have my cooperation in getting an answer.

22 Senator Danforth. Mr. Chairman, it is my understanding
23 that the extension of detoxification services under Title XX --

24 Mr. Galvin. Nothing is included in this except the child
25 support amendment.

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Senator Danforth. It could not be included?

Mr. Stern. There are three elements that are involved that have been linked together. One is the child support for non-welfare families; the second relates to hiring of welfare recipients in child care centers; a third relates to drug addicts and alcoholics.

My impression is that the chairman was talking about only that first element, child support and he would hope, in the near future, to act in these other areas also.

Senator Danforth. It has also expired, has it not?

Mr. Stern. Yes, sir.

Senator Danforth. Mr. Chairman, this just happens to be in my state a program which has been very successful in the past. I wonder -- it is sort of a part of the same package; I think it is totally noncontroversial -- whether it is possible to put it in.

The Chairman. Does anybody know whether there would be any objection to that?

Does that program expire April 1 also?

Mr. Stern. All of these programs expired last October 1st. The difference in the case of child support was the Department of HEW said that last year's continuing resolution was going to carry the child support for non-welfare families along.

The Chairman. Now we have a ruling it does not?

Mr. Stern. Now the GAO has ruled the other way.

1 The Chairman. Does the continuing resolution carry the
2 program to help alcoholism?

3 Mr. Stern. I believe that it has not.

4 The Chairman. Does that stand on the same basis with the
5 same problem?

6 Mr. Stern. That and the third, the hiring of welfare
7 recipients in child care centers. Those were the three programs
8 that were extended in separate votes by both Houses.

9 The Chairman. I would hope that we could put all three of
10 them on. I do not want to keep Mr. Strauss' bill from passing.
11 We do not have any other vehicle to go with. If we had something
12 else -- maybe that horse will have difficulty carrying more
13 baggage, but that is the only horse we have. It seems to me if
14 we are going to try to do something, we had better try to put it
15 on that one.

16 We will try to limit this just to expiring programs. I hope,
17 Senator, you can support me and help me. If someone says, "Look,
18 I have an amendment out there that is very important, that will
19 save the country," I hope you will support me and say, "Hold on.
20 We are only talking about expiring programs."

21 Obviously, these expiring programs are in the budget assump-
22 tions that these programs will be continued. I do not think
23 that there would be a budget objection.

24 Mr. Stern. Yes, sir. I do not believe there is any objec-
25 tion from the administration. They assume these programs are

1 to be continued.

2 Senator Durenberger. Mr. Chairman, I support the concept
3 and your tactics. I have one question on the child support.

4 I looked at the figures. Question number one, how long has
5 it been in effect and can you account for the disparity in
6 utilization between some of the states? My state is one of those
7 that equally grants these kinds of programs; for some reason or
8 another has not utilized them. I notice some of the states fall
9 in that same category.

10 Mr. Galvin. The program has been in effect since August
11 1, 1975 for both AFDC and non-AFDC child support services. The
12 variances in the states is partially due to the legislative --
13 maybe differences between the Governors and the legislature,
14 maybe a desire that they not get started in a program too rapidly,
15 particularly the non-AFDC part that has been on a temporary one-
16 year basis for the funding.

17 It could be the attitude of the people in the particular
18 state. It may be that you have a state with a population that
19 you cannot get to, for example, a program does not cover Indian
20 Reservations and in the state is an Indian Reservation. They
21 could not go there and collect child support.

22 The other could very well be either the lack of ability or
23 lack of dedication on the part of the Child Support Administrators.
24 In your particular state, we will be able to come up with a
25 reason, because there has been an audit made in every state and

1 those audits will be out within the next two months and I will
2 be glad to find out exactly what the problems are in your state,
3 if your state is lower in percentage than some of the others.

4 We have this booklet -- you perhaps have seen it -- which
5 has different efficiency ratings of the child support programs
6 over the three or four years.

7 Senator Durenberger. Thank you.

8 The Chairman. Thank you very much, gentlemen. I will plan
9 to offer such an amendment as the Chairman of the committee and
10 I will explain that I have discussed it with all the committee
11 members I can find and I will try to contact as many as I can
12 and explain this matter to them so they will know what it is
13 when we offer it out there on the floor, and hopefully we can
14 take care of this very urgent matter, maybe today.

15 I would sort of like to project an image for the Finance
16 Committee that when the committee learns of a serious problem,
17 it takes care of it before sundown, if we can do that.

18 In view of the fact that we agreed to take care of these
19 other expiring programs, it is appropriate that we would take
20 care of Senator Talmadge's amendment also and include what we
21 had in mind, and for this amendment to take care of the matter
22 raised by Senator Danforth.

23 I would offer an amendment that would include that as the
24 other two items.

25 (Whereupon at 11:45 o'clock p.m., the Committee resumed its
hearing.)